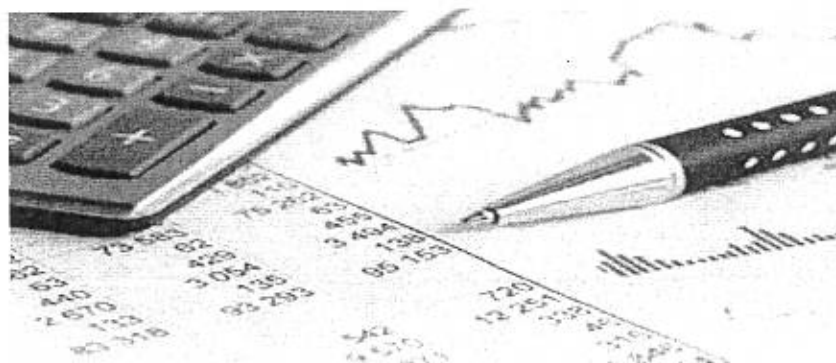


# **DRAFT ANNUAL BUDGET OF GASEGONYANA LOCAL MUNICIPALITY**

**2018/2019 TO 2020/2021**



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## **1.1 MAYOR'S SPEECH**

Honourable Speaker, Cllr Tuelo Meyers

Honourable Councillors,

Municipal Manager, Mr Martin Tsatsimpe

All officials present,

Your excellencies and all members of traditional houses,

Leaders and members of SAMWU and IMATU present here,

Members of the Media,

The distinguished members of our communities of Ga-Segonyana,

Ladies and Gentlemen,

Good morning, Goeie more, Dumelang

Honourable Speaker; It is that time of the year once again where we look in retrospect to the service journey that we have travelled together. As we ponder on the successes and challenge that we have confronted in the outgoing fiscal year; we are equally able to use the benefit of hindsight to plan and budget for better interventions in the ensuing year.

Honourable Speaker, allow me to firstly request that we all stand up and observe a moment of silence for three of our staff members who have served this municipality in the technical and community service units being Mr Andries Oliphant, Mr Edward Sebogodi and Mr Israel Van Wyk.

MAY THEIR SOULS CONTINUE TO REST IN PEACE....

I would accordingly like to take this opportunity and welcome all our esteemed guests and stakeholders to this important occasion.

During the past few months of the present almanac, important events took place, which have a bearing upon us, the people of GaSegonyana. This involves the consultative processes undertaken by the municipality between the months of November 2017 and February 2018 to canvas the inputs of the community for

incorporation into the municipal Integrated Development Plan for the 2018/2019 financial year.

Today I stand here to reaffirm the resolute commitment of this Council to always give precedence to the will of every citizen of this municipality. As a matter of fact, throughout twenty four years of democracy, the budget of the ANC-led government has never been about figures but a reflection on the needs of the people. It has been about provision of democratic and accountable government to communities. And, it will always be!

In improving performance as far as the delivery of services is concerned; the national government together with the provincial government has since launched the back to basics approach, which aims at tracking the implementation of service delivery.

The Back to Basics strategy is premised mainly on the five pillars of municipal governance.

Its key focus is that of ensuring that the execution of the most basic municipal functions happens in accordance with the set standards in municipalities. The following are the key pillars of the strategy:

- Good Governance,
- Public Participation,
- Basic Services,
- Sound Financial Management and
- Building Capable Institutions

As GaSegonyana Municipality we can confirm that no effort will be spared in the pursuit of those objectives.

Honourable speaker, our municipality has recently received a qualified audit report from the Auditor General after ten consecutive disclaimers which indicates that on a great start of economic transformation for this municipality. We are going through tough economic challenges that requires effective revenue management. The Former Minister of finance, Malusi Gigaba in his 2018/19 budget speech announced that the VAT will increase from 14% to 15%. This increase will affect the consumers of our services, those who are paying for the electricity, water and refuse removal and sanitation.

Our communities are affected by the following challenges ;

- High rate of Unemployment
- Poverty
- Crime
- Slow economic growth

We need to work together as business sector, as unions and as social formations to create opportunities for our communities. We must be reminded of what our State President, Mr Cyril Ramaphosa said in his State of the Nation Address earlier in February, I quote "Our task as south Africans is to seize this moment of hope and renewal, and to work together to ensure that it makes a meaningful difference in the lives of our people." He rightly emphasised that South Africa needs a radical nature of the socio – economic transformation. Therefore, fellow comrades and colleagues lets work together as a team to achieve the ultimate objective of this municipality of quality service delivery.

The leading political party, African National Congress has declared this year as the centenaries of the two iconic heroes of our country being former President Nelson Mandela and Mama Albertina Nontsikelelo Sisulu. As we celebrate, we also remember the legacies they have left behind of bravery, selflessness, leadership, and sacrifices of note. Comrade Mandela said "Education is the most powerful tool you can use to change the world" As Ga-Segonyana Local Municipality we take this message very strongly and have most of our Councillors registered at various Academic Institutions in South Africa to empower them with education in order for us all as collective to better the lives of our people.

We are satisfied Honourable Speaker that the budget decisions that we have made are reflective of our commitment to the development of our communities.

Honourable Speaker, allow me to urge all our people who qualify for indigents packages to come forward and register so that they also can benefit from this package. Our Indigent policy is a short-term intervention that enables access to free services whilst we integrate our people into sustainable means of improving their economic conditions.

Indigents and qualifying households will receive the following benefits:

- ♣ 6 Kilolitres of water per month
- ♣ 50 Kilowatts of electricity
- ♣ Indigent owners and child-headed families will receive a 100% rebate from rates and services;
- ♣ All residential properties with a market value of less than R25000 and an additional R56 802 for Bankhara are exempted from paying rates;

- ♣ All qualifying senior citizens and disabled persons are exempted from paying rates on the first R25000 value of their residential properties; and they further apply for more exemption.
- ♣ All Churches and registered Public Benefit Organisations (PBOs) are also exempted from paying assessment rates.

The provision has been made for the supply of free basic services to the poorer communities in Gasegonyana Local Municipality. The total amount budgeted for free basic services to our communities' amount to R1,3 million.

I am therefore humbled Honourable Speaker to present for approval the **2018/2019 Draft** Medium Term Revenue and Expenditure Framework (MTREF) for the **2018/19** ,**2019/20** and **2020/21** financial years

The MTREF proposes a total budget of **R 361 722 million** for the **2018/19** financial year.

The main contributors to the operating revenue are the following:

- Rates **R42 594 Million** ( representing **12.16 %** of total operating revenue )
- Electricity **R94 819 Million** ( representing **27.08%** of total operating revenue )
- Water **R19 944 Million** ( representing **5.69 %** of total operating revenue )
- Sanitation **R8 579 Million**
- Refuse Removal **R9 956 Million**
- Operational Grants **R161 757 million** (representing **40.52 %** of total operating revenue)

It appropriates a total operating expenditure of **R379 451 million** for **2018/19** financial year, **R399 941 million** for the **2019/20** financial year and **R421 938 million** for the **2020/21** financial year.

The main contributors to the operating revenue are the following:

- Employee Related Costs- **R126 395 million**
- Remuneration of Councillors- **R9 524 Million**
- Depreciation- **R43 875 Million** representing **11.56 %** of total operating expenditure
- Bulk Purchases- **R105 261 Million** representing **27.74 %** of total operating expenditure
- Contracted Services- **R42 252 Million**

The draft budget further proposes a total capital expenditure of R100 176 million for 2018/19 financial year, R136 684 million for the 2019/20 financial year and R92 393 million for the 2020/21 financial year.

Honourable Speaker, the following projects need to be highlighted as they will be undertaken in the 2018/19 financial year:

|  | <b>2018/2019</b>       |
|--|------------------------|
| <b>ITEM</b>  | <b>Amount</b>          |
| Upgrading of gravel internal road to paved road in Pietbos           | R 2 557 723.93         |
| Upgrading of gravel internal road to paved road in Seven Miles       | R 11 374 088.27        |
| Upgrading of gravel internal road to paved road in Ncweng            | R 283 522.65           |
| Upgrading of gravel internal road to paved road in Seoding RDP       | R 347 566.52           |
| Upgrading of gravel internal road to paved road in Magojaneng        | R 646 058.30           |
| Upgrading of gravel internal road to paved road in Bankhara Bodulong | R 15 118 509.37        |
| Rural Sanitation programme   | R 11 361 283.01        |
| Construction of Sedibeng community hall                              | R 7 559 247.95         |
| Development of a sports facilities in Mothibistad                    | R 10 545 000.00        |
| PMU  | R 3 000 000.00         |
| <b>TOTAL VALUE OF PROJECTS</b>                                       | <b>R 62 793 000.00</b> |
| <b>APPROVED MIG ALLOCATION</b>                                       | <b>R 62 793 000.00</b> |
|  |                        |

Honourable Speaker, the tariff increases have been limited to be within the affordability levels of our communities. The Inflation outlook as set out in circular no 91 issued on 7 March 2018 is set at **5.3 %**.

Bulk purchases on **electricity** will increase by **7.2 %** which is in line with the guidelines of the National Energy Regulator of South Africa (NERSA).

The tariff increases for the 2018/19 budget have been determined at **0%** on **property rates**, **5.3%** for **water, sanitation, refuse** and **other services**.

Honourable Speaker; we can confirm that the compilation of this annual budget was executed in a manner which complies with the relevant provisions of the Municipal Financial Management Act (MFMA) and budget related regulations.

Ladies and gentlemen, we remain committed to running a clean and accountable government. Our aim is to ensure effective leadership based on ethical business practices and good governance, protecting and enhancing the best interests of the municipality

Honourable Speaker as I conclude, As the Mayor I am committed to strengthening governance systems and promoting clean administration as the backbone of effective service delivery and leading us to obtaining clean audit outcomes. I believe that by us working together we can implement great positive impact in the lives of the people of Ga-Segonyana.

We are greatly encouraged however that as we climb each hill, our people are always right there behind us; giving us the encouragement that we need in order to go further for their benefit.

I wish to thank you, members of this august house, various office bearers as well as the Municipal Manager, Mr Mokoena Tsatsimpe and the Senior Management of our municipality. Let me make a special mention of our budget team (Desiree, Nontlantla and Confidence) led by the CFO Mr Kagiso Noke for the great work of putting the budget together under immense pressure in terms of time.

We further thank our strategic stakeholders and communities for their active role during the consultation processes. It is through our collective wisdom and unity of purpose that we can serve our communities much better.

By these projections, we seek to give full account and/or respond accordingly on the needs of the people of GaSegonyana. Hence the Council always waits with eager expectation for your continued support and active participation in all of its activities.

With these words, Honourable Speaker, I hereby table the Draft Reviewed IDP for 2018/19, the Draft Budget for 2018/19 and all budget related policies for approval.

Thank You.

## 1.2 BUDGET RELATED RESOLUTIONS

### COUNCIL

: 2018-03-29

#### 52. DRAFT BUDGET 2018/19 AND DRAFT REVIEWED IDP FOR 2018/19 (6.1.1 2017/18) (Municipal Manager)

### PURPOSE

To **CONSIDER** and **APPROVE** the Budget for 2018/19 that has been deliberated and compiled in terms of section 24 of the Municipal Financial Management Act 56 of 2003.

### BACKGROUND

National Treasury's MFMA circular 91 was used to guide the compilation of the 2017/18 MTREF. Tariff increases were based on the CPI/Inflation of 5.3% and Electricity tariff increase was based on 7.32 % as per NERSA guidelines.

#### Attached find the following:

- Executive summary
- Draft Budget for 2018/189
- Draft Reviewed IDP 2018/19
- MIG Project List
- Capital Budget
- Tariff Schedule
- Budget Related Policies

### LEGAL AUTHORITY

In terms of section 24(1) of MFMA, Act 56 of 2003, the annual budget must be tabled at least 30 days before the start of the financial 2018/19. The Mayor should table the budget and the draft Reviewed IDP simultaneously.

Section 17(1) of MFMA, an Annual Budget of a Municipality must be a schedule in the prescribed format-

- (a) Setting out realistically anticipated revenue for the budget year form revenue source;
- (b) Appropriating expenditure for the budget year under the different votes of the municipality;
- (c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
- (d) Setting out-



- (i) estimated revenue and expenditure by vote for the current year; and
  - (ii) actual revenue and expenditure by vote for the financial year preceding the current year; and
- (e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.

**Council RESOLVED**

1. That Council of the Gasegonyana LM, in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts the Draft annual budget of the municipality for the financial year 208/19 and the multi-year and single-year capital appropriations as set out in the following tables:
  - Budgeted Financial Performance (revenue and expenditure by standard classification) Table A2
  - Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3
  - Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
  - Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
2. That in terms of Section 24(c) (v) of the Municipal Finance Management Act, Act 56 of 2003, the budget related policies, including any amendments be tabled for the budget year 2018/19
3. That the General Tariffs as set out in the Tariffs Schedule be tabled for the 2018/19 financial year
4. That Council approves the 2018/19 Draft Reviewed IDP with amendments to be made on the IDP;
5. That the capital budget, WSIG and MIG project list be approved
6. That the 2018/19 Draft budget and Draft Reviewed IDP be submitted to both National and Provincial Treasury.
7. That a vote of descent be **NOTE** from EFF.

## **1.3 EXECUTIVE SUMMARY**

### **1.3.1 INTRODUCTION AND BACKGROUND**

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process.

The Budget has been compiled within the framework of the Municipal Financial Management Act (No 56 of 2003), Municipal Budget and Reporting Regulations (MBRR), MFMA Circulars No 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 90 and 91 respectively.

The 2018/19 Medium Term Budget continues to focus on ensuring financial sustainability while delivering on the programmes outlined in the Integrated Development Plan (IDP)

The budget also takes into consideration the incorporation of new wards into the municipal area

The publishing of the regulation on the Municipal Standard chart of Accounts (mSCOA) on 22 April 2014 will have a profound effect on the business of local government. This reform is not limited to a financial reform, but a business reform as a whole. It is the largest reform since the promulgation of the Municipal Finance Management Act in 2003. The following are extracts from the preamble to the regulations: "Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognized accounting practice, uniform expenditure classifications and uniform treasury norms and standards."

"These Regulations propose segments and a classification framework for the standard chart of accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other purposes, it must obtain financial information from individual municipalities.

" The regulations contain amongst others, segment and classification framework for SCOA, minimum business process and system requirements and responsibilities of municipal councils and accounting officers. The segments classification consists of the following:

- **Funding segment** – This segment relates to the various sources of funding available to municipalities and municipal entities for financing expenditure relating to the operation of the municipality and provides for both capital and operational spending.
- **Function segment** - This segment provides for the classification of the transaction according to the function or service delivery objective and provides for the standardization of functions and sub functions across local government.
- **Municipal Standard Classification Segment** - This segment provides for the organizational structure and functionality of an individual municipality, which is not prescribed.
- **Project Segment** - This segment provides for the classification of capital and operating projects on the basis of whether it relates to a specific project and if so, the type of project.
- **Regional Indicator Segment** - This segment identifies and assigns government expenditure to the lowest relevant geographical region within which the intended beneficiaries of the service or capital investment are located.
- **Item Segment** - This segment provides for the classification of item detail in the presentation of the financial position, performance and cash flow according to the nature of the transaction either as revenue, expenditure, asset, liability or net asset.
- **Costing Segment** - This segment provides for a classification structure for secondary cost elements with reference to departmental charges, internal billing etc. and acts as a cost collector in determining inter alia total cost of services.

The 2018/2019 Medium Term budget is a total consolidated revenue of R 456 million which has been developed with an overall planning framework and includes programs and projects to achieve the municipality's strategic objectives. This budget was set against the background of slow economic growth, rising debt & higher interest rates where tough fiscal choices had to be made. Provisions in this medium-term budget continue to support government's commitment to broadening service delivery and expanding investment in infrastructure, while taking into account the constrained fiscal environment.

Revenue generated from sale of electricity remains the major source. The Municipality distributes electricity through prepaid electricity meters as well as conventional meters. Prepaid electricity is 38% of total electricity and Conventional is 62% of the total electricity.

Tariff increases must be limited to be within the affordability levels of our community and must still promote economic growth to ensure financial sustainability however must still strive to be cost reflective in order for municipality to still remain sustainable and liquid. The **inflation outlook** as set out in Circular No 91 issued on 7 March 2018 is set at **5.3%**.

As announced by NERSA and also contained in Circular 91, the bulk purchases from Eskom will increase with 7.2%. An application to NERSA to that effect must still be made to be granted any necessary increase.

In terms of Council's social commitment to assist the poorer communities in Ga-Segonyana LM, provision was also made for the supply of free basic services. The total amount budgeted for **free basic electricity** to our community amounts to **R800 thousand**.

#### Consolidated Overview of the 2017/18 MTREF

|                                     | Adjustment<br>2017/18 | Budget Year<br>2018/19 | Budget Year<br>2019/20 | Budget Year<br>2020/21 |
|-------------------------------------|-----------------------|------------------------|------------------------|------------------------|
| Total Operating Revenue             | 341 227               | 361 722                | 381 093                | 401 888                |
| Total Operating Expenditure         | 363 117               | 379 451                | 399 941                | 421 938                |
| Surplus / (Deficit)<br>for the year | (21 890)              | (17 729)               | (18 848)               | (20 050)               |
| Total Capital Expenditure           | 90 890                | 100 176                | 136 684                | 92 393                 |

Total operating revenue has grown by 5.7% for the 2018/19 financial year when compared to the 2017/2018 Adjustments Budget. For the two outer years, operational revenue is projected to increase by 5.08% and 5.17% respectively.

Total operating expenditure for the 2018/19 financial year has been appropriated at R379 mil and translates into a budgeted deficit of R17 729m. This implies that the municipality will dig into its surpluses to finance operations and have to enforce stringent debt collection mechanisms to maximize its debt collection from the receivables.

When compared to the 2017/2018 Adjustments Budget, operating expenditure has grown by 4.3% in the 2018/19 budget and by 5.1% and 5% respectively for each of the respective outer years of the MTREF.

## 1.4 OPERATING REVENUE FRAMEWORK

For Ga-Segonyana Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues. This anomaly will further be aggravated by the recent announcement made by the Minister of Finance in his 2018/19 budget speech to increase VAT to 15% from 14%. This unavoidable change will hit the service consumers hard and may hamper the municipality's revenue collection efforts.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description<br>R thousand  | 2018/19 Medium Term Revenue & Expenditure Framework |                           |                        |
|--|---|---------------------------|------------------------|
|  | Budget Year 2018/19                                 | Budget Year +1<br>2019/20 | Budget Year +2 2020/21 |
| <b>Revenue By Source</b>   |   |                           |                        |
| Property rates   | 42,594  | 44,894                    | 47,363                 |
| Service charges - electricity revenue                                | 94,819  | 99,939                    | 105,436                |
| Service charges - water revenue                                      | 19,944  | 21,021                    | 22,177                 |
| Service charges - sanitation revenue                                 | 8,579   | 9,042                     | 9,539                  |
| Service charges - refuse revenue                                     | 9,956   | 10,494                    | 11,071                 |
| Rental of facilities and equipment                                   | 765   | 807                       | 851                    |
| Interest earned - external investments                               | 2,992   | 3,153                     | 3,327                  |
| Interest earned - outstanding debtors                                | 8,800   | 9,275                     | 9,785                  |
| Fines, penalties and forfeits  | 1,009   | 1,063                     | 1,122                  |
| Licences and permits   | 5,728   | 6,037                     | 6,369                  |
| Transfers and subsidies  | 161,757   | 170,330                   | 179,533                |
| Other revenue  | 4,779   | 5,037                     | 5,314                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>361,722</b>                                      | <b>381,093</b>            | <b>401,888</b>         |

The total operating revenue budget is projected at R361 722 million in 2018/19, representing an increase in revenue of R19 371 million on the 2017/18 Adjustment Budget of R341 227 million. The allocation for the outer two years of the MTREF period is R381 093 million and R401 888 million respectively. Revenue generated from rates and services charges forms a significant part of the revenue.

Revenue generated from rates and service charges forms a significant percentage of the revenue basket at 50% of the total revenue. Electricity is the main revenue source, contributing R94 819 million or 27.08% of the total revenue, and escalates to R105 436 million in 2020/2021.

Property rates contribute the second largest revenue source, totalling 12.16% of the total revenue of R350 147 million. Water contributes 5.69% to the total revenue and operating grants makes up 42.95% of the total revenue.

#### 1.4.1 PROPERTY RATES

The current General Valuation Roll was implemented in July 2014 and is envisaged to be in force until June 2018 as per the directives of the Local Government Municipal Property Rates Act (2004). The new valuation roll will come into effect from 01 July 2018 and our rates revenue projections is based on this new valuation roll.

The first R 25 000 of the ratable value of all residential properties are exempted from rates and additional R56 802 for all Bankhara residents. Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality, regardless of the value of the property, will receive a 100% rebate from payment of property tax.

The assessment rates revenue increase by 8.26% (R 39 075 million, adjusted budget) in the 2017/18 budget year to R 42 594 million. This is attributed by the general increase in property values from the old valuation roll. Average property values increase by 6%. Rates have not been increased in the 2018/19 budget in order to cushion ratepayers and service consumers respectively. The two outer years may be looked into to increase rates however that will be dependent on the actual performance on 2018/19.

The resultant projected income from this source of revenue is R 44 894 million and R47 363 million respectively for the two outer years of the MTREF period.

Increased tariffs per rating category will be as follows

| <b>CATEGORY</b>   | <b>Current Tariff<br/>(1 July 2017)</b> | <b>Proposed Tariff<br/>(1 July 2018)</b> |
|---|---|--|
| Household   | 0.006373                                | 0.006373                                 |
| Business  | 0.010785                                | 0.010785                                 |
| Guesthouses and<br>multiuse(i.e surgery,<br>tuckshop etc) | 0.008531                                | 0.008531                                 |



|                      |          |          |
|----------------------|----------|----------|
| Agriculture          | 0.000320 | 0.000320 |
| State Owned Property | 0.019727 | 0.019727 |

#### **1.4.2 ELECTRICITY SERVICE CHARGES**

In terms of the Multi Year Price for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA), a tariff increase of 6.84% was approved for the 2018/19 financial year, leading to a bulk purchase tariff increase of 7.2% for municipalities.

The Electricity revenue is projected at R94 819million in 2018/19, representing an increase in revenue of R8 714million (9%) in 2017/18 Adjustment Budget of R86 104 million. The percentage increase in the Electricity revenue is informed by new developments taken place in town.

The allocation for the outer two years of the MTREF period is R99 938 million and R105 435 million respectively.

#### **1.4.3 WATER SERVICE CHARGES**

The water revenue is projected to increase from R18 740 million in the 2017/18 Adjustment Budget to R 19 944 million. The projected revenue for the two outer years of the MTREF period is R21 021 million and R22 177 million respectively. The percentage increase in the water revenue is informed by new developments taken place in town as well as the efforts implemented to reduce the water losses. Indigent households will continue to receive free 6(kl) of water per month. The proposed water tariff percentage increase is 6% for 2018/19 financial year.

#### **1.4.4 SEWER SERVICE CHARGES**

The projected income from this source of revenue declines to R8 578 million in the 2018/19 budget year and by R 9 042 million and R9 539million respectively for the two outer years of the MTREF period. Changes in the tariff policy necessitates this reduction for various compliance reasons. This, will however be revisited in the 2019/20 and 2020/21 financial years.

#### **1.4.5 RENTAL OF FACILITIES**

The projected income from this source of revenue drops to R0 765 million in the 2018/19 budget year. Actual performance for the 2017/18 financial year showed low demand indicators hence the reasonable projection in the 2018/19.

#### **1.4.6 LICENSE AND PERMITS**

License and Permits shows an increase of 20.48% when compared to 2017/18 adjustment budget.

The following table is a high-level summary of the MTREF budget for 2018/19 to 2020/2021 (classified per main type of operating expenditure):

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description<br>R thousand       | Current Year 2017/18 |                 | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------|----------------------|-----------------|---|------------------------|------------------------|
|                                 | Original Budget      | Adjusted Budget | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Expenditure By Type</b>      |                      |                 |   |                        |                        |
| Employee related costs          | 111,675              | 109,821         | 126,395   | 133,220                | 140,547                |
| Remuneration of councillors     | 8,458                | 9,187           | 9,524   | 10,039                 | 10,591                 |
| Debt impairment                 | 537                  | 598             | 535   | 564                    | 595                    |
| Depreciation & asset impairment | 36,201               | 36,201          | 43,875  | 46,244                 | 48,768                 |
| Finance charges                 | 2,813                | 6,508           | 5,414   | 5,706                  | 6,020                  |
| Bulk purchases                  | 74,787               | 101,360         | 105,261   | 110,945                | 117,047                |
| Other materials                 | 7,238                | 11,680          | 8,757   | 9,230                  | 9,737                  |
| Contracted services             | 37,440               | 52,037          | 42,252  | 44,533                 | 46,963                 |
| Transfers and subsidies         | -                    | 70              | 50  | 53                     | 56                     |
| Other expenditure               | 51,349               | 35,454          | 37,389  | 39,407                 | 41,575                 |
| <b>Total Expenditure</b>        | <b>330,499</b>       | <b>363,117</b>  | <b>379,451</b>                                      | <b>399,941</b>         | <b>421,938</b>         |
| <b>Surplus/(Deficit)</b>        | <b>1,553</b>         | <b>(21,890)</b> | <b>(17,729)</b>                                     | <b>(18,848)</b>        | <b>(20,050)</b>        |

When looking at the operating expenditure budget of the municipality from a project perspective, the following operational projects can be identified from the mSCOA chart:

- **Municipal Running cost**
- **Maintenance projects (preventative and corrective as alluded to above)**
- **Typical work stream projects**

The operational expenditure budget is therefore split across these projects. Projects referred to as "typical work stream projects" are operational projects for example agricultural projects, capacity building training and development spatial planning etc.

Typically, these "projects" may consist of various expense-items contributing to the outcome or objective of an initiative. Any other expenditure not relating to a specific project (for example general expenses relating to the daily running and operation of the municipality) is classified as municipal running cost.



The largest portion of the operating expenditure budget is allocated to municipal running cost, the second largest portion to maintenance and the smallest portion to typical work streams.

In terms of the mSCOA chart, as well as GRAP 12, the operational inventory budget is classified into two main categories.

- Consumable inventory (*these include items that are consumed in the normal course of business, e.g. stationary, fuel etc.*)
- Materials and supplies (*items in the form of materials or supplies to be consumed or distributed in the rendering of services, or in the process of production for sale or distribution. These would include building materials, hardware, painting materials and workshop accessories*).

It should be noted that the inventory items included in the expenditure budget are the items that are budgeted to be consumed/used during the specific period. Inventory on hand at year end is disclosed in the statement of financial position as current asset as it is available to still be consumed in the next financial period. Some of the inventory line items are included in "other expenditure" (e.g. Stationery, fuel and purification chemicals), whilst some inventory items (e.g. other materials) would be reflected as part of the repairs and maintenance budget.

### **1.5.1 EMPLOYEE RELATED COSTS**

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage

Personnel costs for the 2018/19 financial year amounts to R126 395 million and is equivalent to 33,31% of the total operating expenditure

Personnel costs increases by R16 574 million based on the 2017/18 Adjustment Budget of R109 821 million. The allocation for the two outer years of the MTREF period is R133 220 million and R140 547 million respectively.

A detailed analysis is supplied with the discussion regarding employee related costs as set out in MBRR Tables SA22 - 24 in this document.

### **1.5.2 REMUNERATION OF COUNCILORS**

The cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The projected expenditure is R9 524mil for 2018/19.

Further details regarding the remuneration of Councilors can be obtained on the Supporting Table SA22 and SA23

### **1.5.3 DEPRECIATION AND ASSETS IMPAIRMENT**

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Budget appropriations in this regard total R43 875 million for the 2018/19 financial and represent 11.56% of the total operating expenditure. The indicative allocated amount for the two outer years of the MTREF period is R46 244 million and R48 787 million respectively.

### **1.5.4 FINANCE CHARGES**

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) and limited finance leases. Finance Charges budget is R5 414 million for the 2018/19 budget year. The allocation for the two outer years of the MTREF period is R5 706 million and R6 020 million respectively.

### **1.5.5 BULK PURCHASE (ELECTRICITY)**

Bulk purchases are directly informed by the purchase of electricity from Eskom. Bulk purchases grew by 6.84% against the 2017/18 budget, to the proposed amount of R105 261 million for the 2017/18 budget year. The allocation for the two outer years of the MTREF period is R110 945 million and R117 047 million respectively. Bulk purchases take up approximately 27.74% of the operating budget for 2017/18.

As announced by NERSA and also contained in Circular 91, the bulk purchases from Eskom will increase with 6.84%.

### **1.5.6 CONTRACTED SERVICES**

Contracted Service budget is R42 252 million for the 2018/19 budget year. The allocation for the two outer years of the MTREF period is R44 533 million and R46 983 million respectively.

In terms of the National Treasury regulations and formats, repairs and maintenance are divided among other materials and contracted services.

#### 1.4.7 OTHER REVENUE

Other revenue reflects a decrease of R4 750 million mainly as a result of a decrease in sale of stands. The revenue projections for the two outer years of the MTREF period is R 5 037 million and R5 314 million respectively.

Factors such as inflation, economic variations and trends coupled with sustainability usually affect other tariffs (such as rental of community and cultural facilities, building plans, cemeteries, etc.). Tariff increases are inflation related, approximately in the order of 6 % on average. Some of the charges are above inflation. The increase which is higher than the inflation rate is informed by high maintenance and running costs

#### 1.4.8 TRANSFERS RECOGNISED OPERATIONAL

Operating grants and transfers totals R161 757 million or 40.52% of total income budget in the 2018/19 financial year.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium-term:

Choose name from list - Supporting Table SA18 Transfers and grant receipts

| Description<br>R thousand                   | 2018/19 Medium Term Revenue & Expenditure Framework |                           |                        |
|---|---|---------------------------|------------------------|
|   | Budget Year 2018/19                                 | Budget Year +1<br>2019/20 | Budget Year +2 2020/21 |
| <b>RECEIPTS:</b>                            |   |                           |                        |
| <b>Operating Transfers and Grants</b>       |   |                           |                        |
| <b>National Government:</b>                 | 159,936   | 163,247                   | 180,615                |
| Local Government Equitable Share            | 141,695   | 157,567                   | 174,003                |
| Finance Management                          | 2,680   | 2,680                     | 3,112                  |
| EPWP Incentive                              | 1,000   | -                         | -                      |
| Municipal Infrastructure Grant (MIG)        | 14,361  | 3,000                     | 3,500                  |
| <b>Provincial Government:</b>               | 1,821   | 1,821                     | 1,821                  |
| Sport and Recreation                        | 1,821   | 1,821                     | 1,821                  |
| <b>Total Operating Transfers and Grants</b> | <b>161,757</b>                                      | <b>165,068</b>            | <b>182,436</b>         |

#### 1.5 OPERATING EXPENDITURE FRAMEWORK

The operating budget expenditure increases from the adjustment budget amount of R363 117 Million in 2017/18 to a new budget amount of R379 451 million representing an increase of R16 334 million in 2018/19. The allocation of the outer two years of the MTREF period is R399 941 million and R 421 938 million respectively.

### 1.5.7 REPAIRS AND MAINTENANCE

The repair and maintenance budget is projected at R9 333Million in 2018/19, representing a decrease of R3 089 million (33.09%) on the 2018/19 Adjustment Budget of R12 422 Million. The allocation for the outer two years of the MTREF period is R9 333Million and R10 378 Million respectively

It should be noted that in terms of NT regulations and formats, repairs and maintenance is divided by other materials, contracted services and other expenditure.

| Description                                 | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand                                  |                      |                 |                    |                   |   |                        |                        |
| Repairs and Maintenance by Expenditure Item |                      |                 |                    |                   |   |                        |                        |
| Employee related costs                      |                      |                 |                    |                   |   |                        |                        |
| Other materials                             | 7,238                | 7,446           |                    |                   | 6,118   | 6,449                  | 6,803                  |
| Contracted Services                         | 29,542               | 4,976           |                    |                   | 3,215   | 3,368                  | 3,575                  |
| Other Expenditure                           |                      |                 |                    |                   |   |                        |                        |
| Total Repairs and Maintenance Expenditure   | 36,780               | 12,422          | -                  | -                 | 9,333   | 9,837                  | 10,378                 |

During the compilation of the 2018/19 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the Municipality's infrastructure. As part of the 2018/19 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises on average 2.45% of the budget over the respective financial years of the MTREF, even though the National Treasury guidelines provides for 8% of the total budget. The assumption may be that most of the infrastructure funded by MIG and other stakeholders could be perceived to be new and thus may not require huge maintenance in their early stages, but the expenditure may be increasing as time goes by.

### 1.6 CAPITAL EXPENDITURE

The capital budget has increased by R9 196 million for the 2018/19 financial year to R100 176million as compared to the approved Adjustment Budget of R90 980 million for the 2017/18 period. The projected capital expenditure budget for the two outer years of the MTREF period has been set at R136 684 million and R92 393 million respectively.

The budget is funded mainly out of Government grants and subsidies and internally generated funds. The Municipal Infrastructure Grant (MIG) remains the biggest source of the government grants and subsidies. External funding to the tune of R41.5million has been allocated from the local mines for Kuruman and Bankhara bulk supply respectively. These are projects in the IDP that will be funded externally but remain assets of the municipality.

The Capital Budget will be funded as follows:

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

| Vote Description<br>R thousand   | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|                                  | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Funded by:</b>                |                      |                 |                    |                   |   |                        |                        |
| National Government              | 94,211               | 77,480          | -                  | -                 | 94,432  | 136,684                | 92,393                 |
| Provincial Government            | -                    | -               | -                  | -                 | -   | -                      | -                      |
| District Municipality            | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other transfers and grants       | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Transfers recognised - capital   | 94,211               | 77,480          | -                  | -                 | 94,432  | 136,684                | 92,393                 |
| Public contributions & donations | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Borrowing                        | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Internally generated funds       | 1,045                | 13,500          |                    |                   | 5,745   |                        |                        |
| <b>Total Capital Funding</b>     | <b>95,256</b>        | <b>90,980</b>   | <b>-</b>           | <b>-</b>          | <b>100,176</b>                                      | <b>136,684</b>         | <b>92,393</b>          |

TableSA36 provides a detailed breakdown of capital projects for 2018/19 MREF.

## 1.7 Annual Budget Tables

These tables present the main budget tables as required in terms of section 18 of the Municipal Budget and Reporting Regulations. These tables set out the Municipality 2018/189budget and MTREF.

|  |
|--|
| Table A1: Budget Summary   |
| Table A2: Budget Financial Performance (standard classification)                   |
| Table A3: Budget Financial Performance (revenue and expenditure by municipal vote) |
| Table A4: Budget Financial Performance (revenue and expenditure)                   |
| Table A5: Capital Expenditure Budget by vote and funding                           |
| Table A6: Budget Financial Position  |
| Table A7: Adjustments Budget Cash Flows  |
| Table A8: Cash backed reserves/accumulated surplus reconciliation                  |
| Table A9: Asset Management   |
| Table A10: Basic service delivery measurement                                      |

## PART 2 SUPPORTING DOCUMENTATION

### 2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget.

In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 of the Act.

*(1) The mayor of a municipality must establish a budget steering committee (BSC) to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.*

*(2) The Steering committee must consist of at least the following persons:*

- a) the councillor responsible for financial matters;*
- b) the municipal manager;*
- c) the chief financial officer;*
- d) the senior managers responsible for at least the three largest votes in the municipality;*
- e) the manager responsible for budgeting;*
- f) the manager responsible for planning; and*

g) any technical experts on infrastructure

The mayor of Gasegonyana LM established a budget steering committee on the 19th of May 2017 and the first meeting was on the 22 May 2017.

### **2.1.1 BUDGET PROCESS OVERVIEW**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the budget. The Mayor tabled in Council the required IDP and budget time schedule on 31 August 2017. Key dates applicable to the process are:

- 6-8 September 2017** - Ward Committee Meetings to review the prioritization of community needs in approved IDP and discuss the process for developing Neighborhood Plans:
- 1 September 2017** - Advertise the budget process and dates of IDP/Budget Public meetings on Municipal Website, Municipal Newsletter and Local Newspapers
- 7 September 2017** - Convene IDP Representative Forum Meeting
- 27 February 2018** - Table Adjustment Budget to Council for approval
- 1- 28 February 2018** - Review all budget related policies
- 16 February 2018** - Review tariffs and charges and determine affordable tariffs and finalise income budget.
- February 2018** - Mid Year Budget & Performance Assessment Visit
- March 2018** - Workshop 2: draft IDP, Budget and proposed tariffs and SDBIP with Council. Provide progress update to council against IDP/Budget process schedule and obtain approval for any adjustments to process.
- 28 March 2018** - Table (and briefing of council) draft IDP, Budget, SDBIP and Related policies and proposed schedule of Draft IDP Review and Budget Road shows. Public Meetings for IDP & Budget Feedback/Consultation Process to Council (Principal Approval)
- April - May 2018** - Budget and Benchmark assessment

No deviations were done on the Budget process plan.



### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP has been taken into a business and financial planning process leading up to the 2018/19 MTREF, based on the approved 2017/2018 MTREF, mid-year review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections. With the compilation of the 2018/19 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2017/2018 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

## **2.2 OVERVIEW OF ALIGNMENT OF BUDGET WITH IDP**

The IDP is Ga-Segonyana LM's principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into planning statements covering the five-year objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

In compiling the IDP, the Municipality considered the 5 key performance areas for local government as determined by the National Cabinet, which are:

- I. KPA1: Municipal Transformation and Institutional Development;
- II. KPA2: Basic Service Delivery and Infrastructure Investment;
- III. KPA3: Financial Viability and Financial Management;
- IV. KPA4: Local Economic Development;
- V. KPA5: Good Governance and Community Participation and;



The alignment of the budget with the IDP has been achieved through the setting of targets by departments which were guided by the following principles:

- It had to be aligned to the national outcome related to their mandate.
- Focus on basic service delivery in terms of the eradication of backlogs, provision of basic services as well as the maintenance of existing infrastructure and community needs.
- All targets set in the IDP were cross referenced to the budget as part of the result-based budget process. Each outcome with its supporting activities set for the coming year has been linked to specific votes in the budget to be utilised to achieve it. The Capital Budget is fully linked, but the operational budget still requires some work to reflect details in this regard.

A municipal IDP provides a five-year strategic programme of action aimed at setting short-, medium- and long-term strategic and budget priorities to create a development platform which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area.

**The figure as depicted in table below visually represents the link between the IDP and the Budget**

Choose name from list - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

| Strategic Objective  | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|---|------------------------|------------------------|
|  | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand   |   |                        |                        |
| KPA 5: Good Governance and Public Participation                      | 7,980   | 8,411                  | 8,874                  |
| KPA 4: Local Economic Development                                    | 1,942   | 2,047                  | 2,159                  |
| KPA 3: Financial Viability and Management                            | 59,226  | 62,424                 | 65,858                 |
| KPA 2: Basic Services and Infrastructure Development                 | 380,774   | 438,326                | 410,461                |
| KPA 1: Institutional Transformation and Development                  | 6,232   | 6,569                  | 6,930                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>456,154</b>                                      | <b>517,777</b>         | <b>494,281</b>         |

## 2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance, the municipality has developed performance management system for Section 56 & 57 Managers and Line managers.

Choose name from list - Supporting Table SA7 Measureable performance objectives

| Description  | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>KPA 1: INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT</b>                                       |                      |                 |                    |   |                        |                        |
| Function : Human Resource  |                      |                 |                    |   |                        |                        |
| Approved 2015/2016 HR Strategy   | 1                    | 1               |                    | 1   | 1                      | 1                      |
| Approved Organogram by June  | 1                    | 1               |                    | 1   | 1                      | 1                      |
| Function : INFORMATION TECHNOLOGY  |                      |                 |                    |   |                        |                        |
| 2 ICT policies reviewed by June  | 2                    | 2               |                    | 2   | 2                      | 2                      |
| <b>KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>                              |                      |                 |                    |   |                        |                        |
| Function : DISASTER MANAGEMENT   |                      |                 |                    |   |                        |                        |
| Disaster inspections conducted by June 2017  | 40                   | 40              |                    | 40  | 40                     | 40                     |
| Prevention disaster awareness campaigns held by June   | 4                    | 4               |                    | 4   | 4                      | 4                      |
| Function : FIRE  |                      |                 |                    |   |                        |                        |
| Prevention fire awareness campaigns held by June   | 8                    | 4               |                    | 4   | 4                      | 4                      |
| fire inspections conducted by June   | 8                    | 10              |                    | 10  | 10                     | 10                     |
| Function - LIBRARY   |                      |                 |                    |   |                        |                        |
| Library campaigns conducted by end of June   | 32                   | 4               |                    | 4   | 4                      | 4                      |
| Function - SPORTS GROUND   |                      |                 |                    |   |                        |                        |
| reports on activities on maintenance of sports grounds by end of June                            | 4                    | 4               |                    | 4   | 4                      | 4                      |
| Function - WASTE MANAGEMENT  |                      |                 |                    |   |                        |                        |
| Households in wards 1, 3 and 13 with access to minimum standard of refuse removal by end of June | 14000                | 12480           |                    | 12480   | 12480                  | 12480                  |
| waste awareness campaigns held by June   | 4                    | 4               |                    | 4   | 4                      | 4                      |
| clean-up campaigns conducted by June   | 4                    | 4               |                    | 4   | 4                      | 4                      |
| Function - ROADS   |                      |                 |                    |   |                        |                        |
| Tarred road resealed by end of June  | 3                    | 3               |                    | 3   | 3                      | 3                      |
| Access road surfaced/paved by June   | 6                    | 5               |                    | 5   | 5                      | 5                      |

|  |     |     |  |     |     |
|--|-----|-----|--|-----|-----|
| <b>Function - WATER MANAGEMENT</b>   |     |     |  |     |     |
| Laboratory reports on effluent at waste water treatment plants conducted by June   | 12  | 10  |  | 10  | 10  |
| Reports of number of households provided with full water borne by June             | 4   | 4   |  | 4   | 4   |
| New households provided with access to basic level of sanitation by end of June    | 400 | 700 |  | 700 | 700 |
| <b>KPA 3: FINANCIAL VIABILITY AND MANAGEMENT</b>                                   |     |     |  |     |     |
| <b>Function - ASSET MANAGEMENT</b>   |     |     |  |     |     |
| Reports on asset verifications by June   | 2   | 2   |  | 2   | 2   |
| Asset reconciliations reports submitted to the Municipal Manager by end of June    | 12  | 12  |  | 12  | 12  |
| <b>Function - BUDGET AND TREASURY OFFICE</b>                                       |     |     |  |     |     |
| Section (71) reports submitted to the Mayor and Provincial Treasury by end of June | 12  | 12  |  | 12  | 12  |
| Annual financial Statements submitted to the Auditor General by end of August      | 1   | 1   |  | 1   | 1   |
| Performance and budget reports (s52d) submitted to council by June                 | 4   | 4   |  | 4   | 4   |
| Annual Budget submitted to Council for approval by end of May                      | 1   | 1   |  | 1   | 1   |
| <b>KPA 4: LOCAL ECONOMIC DEVELOPMENT</b>   |     |     |  |     |     |
| <b>Function - CORPORATE WIDE STRATEGIC PLANNING</b>                                |     |     |  |     |     |
| Jobs created through municipal capital projects by June                            | 497 | 496 |  | 496 | 496 |
| SMME training held by June   | 4   | 4   |  | 4   | 4   |
| Reports on number of visitors and revenue generated from 1 <sup>st</sup> eye       | 4   | 4   |  | 4   | 4   |
| <b>KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>                             |     |     |  |     |     |
| <b>Function - MAYOR AND COUNCIL</b>  |     |     |  |     |     |
| Council meetings held  | 4   | 4   |  | 4   | 4   |
| <b>Function - LEGAL SERVICES</b>   |     |     |  |     |     |
| By-Laws Submitted to council for approval by June                                  | 6   | 6   |  | 6   | 6   |

### 2.3.1. Performance indicators and benchmarks

#### i. Borrowing management

Capital expenditure in local government can be funded by capital grants, own revenue and long-term borrowings. The municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position.

Increasing debt and declining collection rate could have a negative impact on the future borrowing of the municipality, in particular the municipality's ability to meet its borrowing obligations. Stringent measure must be put in place to curve the increasing debt.

## ii. Liquidity

**Current Ratio** is a measure of the municipality's ability to pay short-term obligations with its short-term assets. The higher the ratio, the better the municipality's ability to adhere to its short-term obligations. National Treasury has set a current ratio minimum of 1.5 in circular 71. For the 2018/19 MTREF the ratio is expected to be 1.6

**The liquidity ratio** is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Ga-Segonyana Municipality's liquidity ratio is at an average of 0.02

This includes consumer deposits and provisions which are not likely to be realized in the short term. Consideration should be given to exclude a vast portion of consumer deposits.

## Revenue management

As part of the financial sustainability strategy, an aggressive revenue management and enhancement project has been embarked upon to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days.

## iii. Creditors management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice.

## iv. Other Indicators

- **Employee costs**

The employee related costs represent 33% of the total expenditure budget.

- **Repairs & Maintenance**

Repairs and Maintenance equate 3% of the total operating budget which is acceptable. The municipality strives to maintain its infrastructure assets to prolong useful life.

### **2.3.2. Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For indigent households, the threshold to qualify for free basic services is an income of less than R4,340 per household.

In terms of the municipality's indigent policy, registered households are entitled to 6kl free water and 50 kWh of electricity, are fully subsidised for basic charge services. Further detail relating to the number of households receiving free basic services and cost thereof is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement).

## **2.4 Overview of Budget related policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

- **Tariff Policy (Appendix B)**

The Municipal Systems Act requires a Municipality to have a Tariff Policy on the levying of fees for Municipal services provided by the municipality itself or by way of service delivery agreement, and which complies with the provisions of that Act, the Municipal Finance Management Act and other applicable legislation.

- **Credit control and Debt Collection Policy (Appendix C)**

The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of services are collected efficiently and promptly. As required in terms of section 97 of the Municipal Systems Act, the credit control and debt collection policy for the 2017/18 financial year is currently under review and the policy is to be adopted with the current budget

- **Property Rates policy (Appendix D)**

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1.

- **Budget and Virement Policy (Appendix E)**

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the town's system of delegations.

- **Bulk Contribution Policy (Appendix F)**

This policy provides a framework for the determination of bulk service contributions on an equitable basis thereby allowing tariffs to be set at a more affordable level and shortening the period of recovery of the capital cost of bulk infrastructure, thus reducing long-term debt, improving the municipality's balance sheet and its credit rating and further enabling the municipality to develop a capital reserve for new and replacement bulk infrastructure.

- **Asset Management Policy (Appendix G)**

The objective of this policy is to ensure that assets of the Municipality are properly managed and accounted for.

- **Supply Chain Policy (Appendix H)**

This policy provides a framework for procuring goods or services, disposing goods no longer needed, selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies or selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

- **Travel and Subsistence Policy (Appendix I)**

The objective of this policy is to:

Ensure that all travel and subsistence costs incurred by the Municipality are done as efficiently and effectively as possible.

Ensure that councilors and officials are reimbursed fairly and consistently for the cost incurred while traveling to perform municipal duties.



- **Funding and Reserve Policy (Appendix J)**

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non-existent.

The municipality, however, recognizes the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy aims to provide for such measure of protection by creating certain reserves.

- **Borrowing Policy (Appendix K)**

This policy addresses all relevant principles and processes to be followed when obtaining short- and long-term Borrowing, to ensure sufficient management of Borrowing. The objectives of this policy are to ensure optimal performance with the lowest possible risk through managing the Borrowing, and to ensure accountability, responsibility and transparency throughout the process.

- **Cash Management and Investment Policy (Appendix L)**

The objectives of the policy are to ensure optimal performance with the least possible risk, in managing and investing the cash resources of the municipality and to ensure transparency, accountability and appropriate lines of responsibility in the process.

## **2.5 Budget Assumptions**

In terms of the Local Government Systems Act, section 26 prescribes the core components of the Integrated Development Plan, and section 26 (h) requires the inclusion of a financial management plan which should include a budget projection for at least the next three years. The financial plan is expected to determine the financial affordability and sustainability levels of the municipality over the medium term.

To fund its operational costs as well as make sustainable contribution to municipal infrastructure investment, the municipality relies on grants and subsidies made available by National Treasury for the execution of its capital plan. The funding strategy is reviewed annually to determine the most affordable level at which the municipality can operate optimally taking the fiscal overview, economic climate, National and Provincial influences, IDP and other legislative imperatives, internal governance and community consultation into account in its deliberations

Local government faces tough fiscal choices; growth in transfers will slow while the cost of providing the services increases. Municipalities are therefore urged to improve own revenue collection, increase efficiency and obtain greater value for money.

Integration of service delivery between national, provincial and local government is critical to ensure focused service delivery, therefore various measures have been implemented to align IDPs as well as provincial and national strategies around priority spatial interventions

Inflation increases the cost of living of households and thereby increases the vulnerability of low and middle-income groups and negatively affects their ability to pay for municipal services. CPI is projected at 5.3 per cent for 2018/19, 5.4 per cent for 2019/20 and 5.5 per cent for 2020/21.

The new general valuation roll must be implemented according to the MPRA 2004. However, the first R25 000 on Residential property per household will be exempted and an additional R56 802 for all Bankhara Residents. Indigent qualifies for exemption subject to application.

Price movements of bulk purchase – electricity tariff is increased by 6.84% as approved by NERSA.

## **2.6 OVERVIEW OF BUDGET FUNDING**

This gives an indication of the Municipality's overall budget as well as sources of funding.

### **OPERATING REVENUE**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, sale of stands, licenses and permits etc).

Revenue to be generated from property rates is R42 million in the 2018/2019 financial year, which represents 12% of the operating revenue base of the municipality. Service charges related to electricity, water, sanitation, refuse removal and other in total constitute the biggest component of the Municipality's revenue basket, totalling R133 million for the 2018/2019 financial



year. For the 2018/2019 financial year, service charges amount to 37% of the total revenue base.

Operational grants and subsidies amount to R161 million, or to 45% of operating revenue. The actual performance against the budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustment budget.

## 2.7 OVERVIEW OF THE FUNDING COMPLIANCE

National Treasury requires the municipality to assess its financial sustainability against different measures that look at various aspects of financial health of the municipality.

Support Table SA10 below sets to evaluate the budget as its compliance to Sections 18 and 19 of the MFMA. The following measures are discussed below.

**NC452 Ga-Segonyana Supporting Table  
SA10 Funding measurement**

| Description   | MFMA section | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |              |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Funding measures</b>                                       |              |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash/cash equivalents at the year end - R'000                 | 18(1)b       | 1   | 631             | 532             | 990             | 176                  | 2,606           | -                  | -                 | 1,608   | 1,759                  | 1,754                  |
| Cash + investments at the yr end less applications - R'000    | 18(1)b       | 2   | (22,745)        | (58,056)        | (85,888)        | 37,903               | (16,854)        | -                  | -                 | 5,624   | 17,702                 | 21,098                 |
| Cash year end/monthly employees/supplier payments             | 18(1)b       | 3   | 0.0             | 0.0             | 0.0             | 0.0                  | 0.1             | -                  | -                 | 0.1   | 0.1                    | 0.1                    |
| Surplus/(Deficit) excluding depreciation offsets: R'000       | 18(1)        | 4   | 32,102          | 22,987          | 37,502          | 95,764               | 55,590          | -                  | -                 | 76,703  | 117,835                | 72,343                 |
| Service charge rev % change - macro CPIX target exclusive     | 18(1)a, (2)  | 5   | N.A.            | (7.4%)          | 17.2%           | 0.5%                 | (8.3%)          | (106.0%)           | (6.0%)            | 0.4%  | (0.6%)                 | (0.5%)                 |
| Cash receipts % of Ratepayer & Other revenue                  | 18(1)a, (2)  | 6   | 75.8%           | %               | 83.7%           | %                    | 89.2%           | 0.0%               | 0.0%              | 82.1%   | 82.1%                  | 82.1%                  |
| Debt impairment expense as a % of total billable revenue      | 18(1)a, (2)  | 7   | 0.0%            | 0.0%            | 10.4%           | 0.3%                 | 0.4%            | 0.0%               | 0.0%              | 0.3%  | 0.3%                   | 0.3%                   |
| Capital payments % of capital expenditure                     | 18(1)c, 19   | 8   | 100.0%          | 100.0%          | 100.0%          | 100.0%               | 100.0%          | 0.0%               | 0.0%              | 100.0%  | 100.0%                 | 100.0%                 |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c       | 9   | 0.0%            | 12.1%           | 14.7%           | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| Grants % of Govt. legislated/gazetted allocations             | 18(1)a       | 10  |                 |                 |                 |                      |                 |                    |                   | 0.0%  | 0.0%                   | 0.0%                   |
| Current consumer debtors % change - incr(decr)                | 18(1)a       | 11  | N.A.            | 11.3%           | 36.1%           | 4.6%                 | 1.5%            | (100.0%)           | 0.0%              | 0.0%  | 5.4%                   | 5.5%                   |
| Long term receivables % change - incr(decr)                   | 18(1)a       | 12  | N.A.            | (100.0%)        | 0.0%            | 0.0%                 | (100.0%)        | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| R&M % of Property Plant & Equipment                           | 20(1)(v i)   | 13  | 2.3%            | 2.7%            | 1.6%            | 3.2%                 | 1.0%            | 0.0%               | 0.0%              | 0.7%  | 0.7%                   | 0.7%                   |
| Asset renewal % of capital budget                             | 20(1)(v i)   | 14  | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |

### **2.7.1 Cash/Cash equivalent position**

If the municipality's forecast cash position is negative, for any year of the Medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with Section 45 of the MFMA, which deals with the repayment of short-term debt at the end of the financial year. The Municipality forecast a positive cash position as per the budgeted cash flow statement for 2018/19 MTREF. The forecasted cash and cash equivalent for the 2018/19 MTREF is R1 608 million.

### **2.7.2 Cash plus investment less application of funds**

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement.

### **2.7.3 Cash year end/monthly employee/supplier payments**

The purpose of this measure is to understand the level of financial risk the municipality would face with due to declining collection rate. The ratio for the 2018/19 is 0.01% which is not satisfactory and it implies that the municipality not receive on month services it will not be able to pay salaries and creditors.

### **2.7.4 Surplus/(Deficit) excluding depreciation offsets**

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making sufficient contribution for the municipal resources consumed each year. For the 2018/19 MTREF the municipality shows a deficit of R17 729mil including the depreciation and assets funded from operational budget.

### **2.7.5 Cash receipts a percentage of Ratepayer and Other revenue**

The purpose of this measure is to calculate the rate of funds collected from current billing and arrear debtors.

### **2.7.6 Debt impairment expense as a percentage of total billable revenue**

The factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment. The municipality has made a provision of R0 535mil which represent 0.14%.

#### **2.7.7 Capital payments a percentage of capital expenditure**

This ratio calculates whether the municipality is spending on its capital budget according to its budgeted cash flow.

#### **2.7.8 Borrowing receipts a percentage of capital expenditure (excl. transfers)**

The purpose of this measurement is to determine the proportion of a municipality's "own funded" capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance.

#### **2.7.9 Grants as a percentage of Govt. legislated/gazetted allocations**

The purpose of this measurement is mainly to ensure that all available transfers from National and provincial government have been budgeted for. The ratio is 100% which means that the municipality has budgeted for all transfers.

#### **2.7.10 Repairs and Maintenance as a percentage of Property Plant & Equipment**

This indicator provides information on the amount of funds allocated to the Repair and Maintenance of municipal assets. Currently the ratio of repairs and maintenance is 0.7% .

## 2.8 EXPENDITURE ON GRANT ALLOCATIONS AND GRANT PROGRAMMES

The following grants allocated to the municipality in terms of the 2018 Division of Revenue Act have been included in the medium term budget:

Choose name from list - Supporting Table SA18 Transfers and grant receipts

| Description<br>R thousand                       | Current Year 2017/18 |                 | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|----------------------|-----------------|---|------------------------|------------------------|
|   | Original Budget      | Adjusted Budget | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>RECEIPTS:</b>                                |                      |                 |   |                        |                        |
| -   |                      |                 |   |                        |                        |
| <u>Operating Transfers and Grants</u>           |                      |                 |   |                        |                        |
| National Government:                            | 132,725              | 143,456         | 159,471   | 163,247                | 180,615                |
| Local Government Equitable Share                | 129,580              | 129,580         | 141,895   | 157,567                | 174,003                |
| Finance Management                              | 2,145                | 2,145           | 2,215   | 2,680                  | 3,112                  |
| EPWP Incentive                                  | 1,000                | 1,000           | 1,000   | -                      | -                      |
| Municipal Infrastructure Grant (MIG)            |                      | 10,731          | 14,361  | 3,000                  | 3,500                  |
| Provincial Government:                          | 1,821                | 1,821           | 1,821   | 1,821                  | 1,821                  |
| Sport and Recreation                            | 1,821                | 1,821           | 1,821   | 1,821                  | 1,821                  |
| <b>Total Operating Transfers and Grants</b>     | <b>134,546</b>       | <b>145,277</b>  | <b>161,292</b>                                      | <b>165,068</b>         | <b>182,436</b>         |
| <u>Capital Transfers and Grants</u>             |                      |                 |   |                        |                        |
| National Government:                            | 94,211               | 83,480          | 94,218  | 94,218                 | 94,218                 |
| Municipal Infrastructure Grant (MIG)            | 54,211               | 43,480          | 48,432  | 50,302                 | 52,718                 |
| Municipal Water Infrastructure Grant            | -                    | -               | 45,000  | 95,000                 | 39,675                 |
| Water Services Infrastructure Grant             | 35,000               | 35,000          | -   | -                      | -                      |
| Integrated National Electrification Programme   | 5,000                | 5,000           | 1,000   | 3,200                  | 2,560                  |
| <b>Total Capital Transfers and Grants</b>       | <b>94,211</b>        | <b>83,480</b>   | <b>94,218</b>                                       | <b>94,218</b>          | <b>94,218</b>          |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b> | <b>228,757</b>       | <b>228,757</b>  | <b>255,510</b>                                      | <b>259,286</b>         | <b>276,654</b>         |

## 2.9 COUNCILLORS AND EMPLOYEE 'S BENEFITS

NC452 Ga-Segonyana - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration<br>R thousand | Current Year 2017/18 |                 | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|----------------------|-----------------|---|------------------------|------------------------|
|   | Original Budget      | Adjusted Budget | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| -   | D                    | E               | G   | H                      | I                      |
| <b>Councillors (Political Office Bearers plus Other)</b>      |                      |                 |   |                        |                        |
| Basic Salaries and Wages                                      | 6,753                | 7,391           | 6,752   | 7,116                  | 7,508                  |
| Pension and UIF Contributions                                 | 437                  | -               | 846   | 892                    | 941                    |
| Medical Aid Contributions                                     |                      | -               | 163   | 172                    | 181                    |
| Motor Vehicle Allowance                                       | 607                  | 645             | 528   | 557                    | 588                    |
| Cellphone Allowance   | 563                  | 1,149           | 1,135   | 1,196                  | 1,262                  |
| Housing Allowances  |                      | -               | -   | -                      | -                      |
| Other benefits and allowances                                 | 97                   | 2               | 100   | 106                    | 111                    |
| <b>Sub Total - Councillors</b>                                | <b>8,458</b>         | <b>9,187</b>    | <b>9,524</b>  | <b>10,039</b>          | <b>10,591</b>          |
| <b>% increase</b>   | <b>8.2%</b>          | <b>8.6%</b>     | <b>-</b>  | <b>5.4%</b>            | <b>5.5%</b>            |
| <b>Senior Managers of the Municipality</b>                    |                      |                 |   |                        |                        |
| Basic Salaries and Wages                                      | 5,254                | 3,795           | 5,163   | 5,442                  | 5,741                  |
| Pension and UIF Contributions                                 | 179                  | 246             | 30  | 32                     | 33                     |
| Motor Vehicle Allowance                                       | 748                  | 1,122           | 695   | 733                    | 773                    |
| Cellphone Allowance   | 97                   | 99              | 96  | 101                    | 107                    |
| Housing Allowances  |                      | -               | -   | -                      | -                      |
| Other benefits and allowances                                 | 1                    | 12              | 1   | 1                      | 1                      |
| <b>Sub Total - Senior Managers of Municipality</b>            | <b>6,278</b>         | <b>5,275</b>    | <b>5,984</b>  | <b>6,308</b>           | <b>6,655</b>           |
| <b>% increase</b>   | <b>32.4%</b>         | <b>(16.0%)</b>  | <b>-</b>  | <b>5.4%</b>            | <b>5.5%</b>            |
| <b>Other Municipal Staff</b>                                  |                      |                 |   |                        |                        |
| Basic Salaries and Wages                                      | 76,407               | 71,509          | 86,198  | 90,853                 | 95,849                 |
| Pension and UIF Contributions                                 | 11,332               | 10,765          | 14,070  | 14,830                 | 15,645                 |
| Medical Aid Contributions                                     | 4,820                | 5,646           | 6,080   | 6,409                  | 6,761                  |
| Overtime  | 3,279                | 5,511           | 1,976   | 2,082                  | 2,197                  |
| Performance Bonus   |                      | -               | -   | -                      | -                      |
| Motor Vehicle Allowance                                       | 2,277                | 2,488           | 2,737   | 2,884                  | 3,043                  |
| Cellphone Allowance   | 364                  | 355             | 355   | 374                    | 395                    |
| Housing Allowances  | 3,061                | 3,006           | 3,800   | 4,005                  | 4,225                  |
| Other benefits and allowances                                 | 3,667                | 3,346           | 3,417   | 3,601                  | 3,799                  |
| Payments in lieu of leave                                     |                      | 132             | -   | -                      | -                      |
| Long service awards   | 191                  | 167             | 78  | 83                     | 87                     |
| Post-retirement benefit obligations                           | -                    | 1,618           | 1,700   | 1,792                  | 1,890                  |
| <b>Sub Total - Other Municipal Staff</b>                      | <b>105,397</b>       | <b>104,546</b>  | <b>120,410</b>                                      | <b>126,912</b>         | <b>133,893</b>         |

|                                     |         |         |         |         |         |
|-------------------------------------|---------|---------|---------|---------|---------|
| % increase                          | 6.3%    | (0.8%)  | –       | 5.4%    | 5.5%    |
| Total Parent Municipality           | 120,133 | 119,008 | 135,919 | 143,259 | 151,138 |
|                                     | 7.6%    | (0.9%)  | –       | 5.4%    | 5.5%    |
| TOTAL SALARY, ALLOWANCES & BENEFITS | 120,133 | 119,008 | 135,919 | 143,259 | 151,138 |
| % increase                          | 7.6%    | (0.9%)  | –       | 5.4%    | 5.5%    |
| TOTAL MANAGERS AND STAFF            | 111,675 | 109,821 | 126,395 | 133,220 | 140,547 |

Staff costs for the 2018/19 financial year amounts to R126 395 million and is equivalent to 33% of the total operating expenditure.

The packages for senior managers is budgeted at R5 984 million which constitutes 4.43% of the total employee costs

## 2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Indicated in the tables below is the monthly revenue, expenditure and cash flow targets which are based on the previous years' actual and other factors that influence these projections



NC452 Ga-Segonyana - Supporting Table SA25 Budgeted monthly revenue and expenditure

| Description  | R<br>thousand | Budget Year 2018/19 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|--|---------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|
|  |               | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Revenue By Source</b>   | -             |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Property rates   |               | 3,448               | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 4,562         | 42,594  | 44,894                 | 47,363                 |
| Service charges - electricity revenue                                |               | 7,971               | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,142         | 94,819  | 99,939                 | 105,436                |
| Service charges - water revenue                                      |               | 1,656               | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,725         | 19,944  | 21,021                 | 22,177                 |
| Service charges - sanitation revenue                                 |               | 1,090               | 1,090         | 1,090         | 1,090         | 1,090         | 1,090         | 1,090         | 1,090         | 1,090         | 1,090         | 1,090         | (3,413)       | 8,579   | 9,042                  | 9,539                  |
| Service charges - refuse revenue                                     |               | 801                 | 801           | 801           | 801           | 801           | 801           | 801           | 801           | 801           | 801           | 801           | 1,144         | 9,956   | 10,494                 | 11,071                 |
| Rental of facilities and equipment                                   |               | 195                 | 195           | 195           | 195           | 195           | 195           | 195           | 195           | 195           | 195           | 195           | (1,375)       | 765   | 807                    | 851                    |
| Interest earned - external investments                               |               | 97                  | 97            | 97            | 97            | 97            | 97            | 97            | 97            | 97            | 97            | 97            | 1,924         | 2,992   | 3,153                  | 3,327                  |
| Interest earned - outstanding debtors                                |               | 547                 | 547           | 547           | 547           | 547           | 547           | 547           | 547           | 547           | 547           | 547           | 2,781         | 8,800   | 9,275                  | 9,785                  |
| Fines, penalties and forfeits  |               | 114                 | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | (242)         | 1,009   | 1,053                  | 1,122                  |
| Licences and permits   |               | 371                 | 371           | 371           | 371           | 371           | 371           | 371           | 371           | 371           | 371           | 371           | 1,643         | 5,728   | 6,037                  | 6,369                  |
| Agency services  |               | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| Transfers and subsidies  |               | 12,331              | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 26,119        | 161,757                                       | 170,330                | 179,533                |
| Other revenue  |               | 1,141               | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | (7,777)       | 4,779   | 5,037                  | 5,314                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |               | <b>29,763</b>       | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>34,332</b> | <b>361,722</b>                                | <b>381,093</b>         | <b>401,888</b>         |
| <b>Expenditure By Type</b>   | -             |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Employee related costs   |               | 9,893               | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 17,573        | 126,395                                       | 133,220                | 140,547                |
| Remuneration of councillors  |               | 558                 | 558           | 558           | 558           | 558           | 558           | 558           | 558           | 558           | 558           | 558           | 3,386         | 9,524   | 10,039                 | 10,591                 |
| Debt impairment  |               | 47                  | 47            | 47            | 47            | 47            | 47            | 47            | 47            | 47            | 47            | 47            | 14            | 535   | 564                    | 595                    |

|   |               |               |               |               |               |               |               |               |               |               |                 |                 |                 |                 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Depreciation & asset impairment   | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 8,732           | 43,875          | 46,244          | 48,788          |
| Finance charges   | 345           | 345           | 345           | 345           | 345           | 345           | 345           | 345           | 345           | 345           | 1,615           | 5,414           | 5,706           | 6,020           |
| Bulk purchases  | 8,658         | 8,658         | 8,658         | 8,658         | 8,658         | 8,658         | 8,658         | 8,658         | 8,658         | 8,658         | 10,024          | 105,261         | 110,945         | 117,047         |
| Other materials   | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | (6,183)         | 8,757           | 9,230           | 9,737           |
| Contracted services   | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 12,415          | 42,252          | 44,533          | 46,983          |
| Transfers and subsidies   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | 50              | 50              | 53              | 56              |
| Other expenditure   | 2,265         | 2,265         | 2,265         | 2,265         | 2,265         | 2,265         | 2,265         | 2,265         | 2,265         | 2,265         | 12,475          | 37,389          | 39,407          | 41,575          |
| <b>Total Expenditure</b>  | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>60,102</b>   | <b>379,451</b>  | <b>399,941</b>  | <b>421,938</b>  |
| <b>Surplus/(Deficit)</b><br>Transfers and subsidies - capital<br>(monetary allocations) (National /<br>Provincial and District) | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>(25,770)</b> | <b>(17,729)</b> | <b>(18,848)</b> | <b>(20,050)</b> |
| <b>Surplus/(Deficit) after capital transfers<br/>&amp; contributions</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>44,692</b>   | <b>94,432</b>   | <b>136,594</b>  | <b>92,393</b>   |
| <b>Surplus/(Deficit)</b>  | <b>1</b>      | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>18,922</b>   | <b>76,703</b>   | <b>117,835</b>  | <b>72,343</b>   |
|   |               |               |               |               |               |               |               |               |               |               | <b>18,922</b>   | <b>76,703</b>   | <b>117,835</b>  | <b>72,343</b>   |

NC452 Ga-Segonyana - Supporting Table SA30 Budgeted monthly cash flow

| MONTHLY CASH FLOWS                                | Budget Year 2018/19 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|
| R thousand  | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Cash Receipts By Source</b>                    |                     |               |               |               |               |               |               |               |               |               |               |               | 1   |                        |                        |
| Property rates                                    | 1,556               | 8,756         | 3,473         | 3,844         | 2,112         | 2,126         | 2,205         | 2,646         | 1,556         | 2,205         | 2,112         | 3,615         | 36,205  | 38,160                 | 40,259                 |
| Service charges - electricity revenue             | 8,815               | 9,897         | 6,487         | 5,654         | 5,863         | 5,591         | 5,863         | 4,591         | 6,591         | 6,863         | 6,548         | 7,832         | 80,596  | 84,948                 | 89,620                 |
| Service charges - water revenue                   | 1,384               | 1,310         | 1,477         | 900           | 2,014         | 1,317         | 2,077         | 1,317         | 1,317         | 1,317         | 1,317         | 1,206         | 16,953  | 17,868                 | 18,851                 |
| Service charges - sanitation revenue              | 642                 | 619           | 663           | 662           | 698           | 616           | 624           | 622           | 622           | 622           | 641           | 259           | 7,292   | 7,686                  | 8,108                  |
| Service charges - refuse revenue                  | 393                 | 396           | 375           | 363           | 482           | 394           | 692           | 692           | 544           | 473           | 448           | 3,211         | 8,463   | 8,920                  | 9,410                  |
| Rental of facilities and equipment                | 38                  | 27            | 42            | 47            | 49            | 42            | 60            | 73            | 130           | 45            | 158           | 56            | 765   | 807                    | 851                    |
| Interest earned - external investments            | 60                  | 362           | 565           | 776           | 202           | 156           | 55            | 60            | 75            | 60            | 65            | 556           | 2,992   | 3,153                  | 3,327                  |
| Interest earned - outstanding debtors             | 446                 | 383           | 494           | 469           | 496           | 499           | 520           | 510           | 500           | 500           | 510           | 3,474         | 8,800   | 9,275                  | 9,785                  |
| Fines, penalties and forfeits                     | 13                  | 16            | 76            | 13            | 58            | 13            | 75            | 80            | 85            | 90            | 95            | 395           | 1,009   | 1,063                  | 1,122                  |
| Licences and permits                              | 418                 | 464           | 780           | 308           | 411           | 418           | 610           | 305           | 230           | 678           | 260           | 846           | 5,728   | 6,037                  | 6,369                  |
| Transfer receipts - operational                   | 61,170              | 250           | -             | -             | 450           | 43,940        | -             | 2,121         | 53,826        | -             | -             | -             | 161,757                                       | 170,330                | 179,633                |
| Other revenue                                     | 151                 | 196           | 2,403         | 37            | 1,051         | 84            | 803           | 1,780         | 592           | 50            | 116           | (2,482)       | 4,779   | 5,037                  | 5,314                  |
| <b>Cash Receipts by Source</b>                    | <b>75,086</b>       | <b>22,675</b> | <b>16,834</b> | <b>13,073</b> | <b>13,886</b> | <b>55,195</b> | <b>13,583</b> | <b>14,798</b> | <b>66,069</b> | <b>12,903</b> | <b>12,269</b> | <b>18,967</b> | <b>335,338</b>                                | <b>353,285</b>         | <b>372,550</b>         |
| <b>Other Cash Flows by Source</b>                 |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Transfer receipts - capital                       | 54,687              | -             | -             | 1,000         | -             | 24,842        | -             | -             | 13,893        | -             | -             | -             | 94,432  | 136,684                | 92,393                 |
| Decrease (increase) other non-current receivables | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | 9,000         | 9,000   | -                      | -                      |
| <b>Total Cash Receipts by Source</b>              | <b>129,783</b>      | <b>22,675</b> | <b>16,834</b> | <b>14,073</b> | <b>13,886</b> | <b>80,037</b> | <b>13,583</b> | <b>14,798</b> | <b>79,961</b> | <b>12,903</b> | <b>12,269</b> | <b>27,967</b> | <b>438,770</b>                                | <b>489,968</b>         | <b>464,943</b>         |



## **2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from Budget and Treasury Office.

## **2.12 CAPITAL EXPENDITURE DETAILS**

The **Capital Budget of R100 176million for 2018/19 is 9% more** when compared to the 2017/18 Adjustment Budget. The Capital Budget is largely driven by projects emanating from the IDP as identified by the community.

**TableSA34a provides a detailed breakdown of capital projects for 2018/19 MREF**

### 2.13 Legislation Compliance Status

The promulgation of the Municipal Finance Management Act 56 of 2003) has without doubt, enhanced efficiency and control measures to local government in terms of budgeting monitoring and accounting of public funds. The MFMA has created a profound effect on the local government operations that required transformation in financial discipline and planning processes. The budget preparation for 2018/19 has surpassed most of these key requirements.

The MFMA has created clear standards of operating for local government that complies or conforms to the International Standards of reporting. The municipality's reporting to Provincial Treasury has been substantially complied with.

Compliance with MFMA implementation requirements has been substantially adhered to through the following activities:

- **In- year reporting**  
The Municipality's electronic reporting to National Treasury has been complied with and has also improved over time. The monthly and quarterly returns to NT have been submitted on time.
- **Municipal Budget and Reporting Regulations**  
Budgeting in Gasegonyana LM is done in accordance with the MFMA; Municipal Budget and Reporting Regulations promulgated in 2009. Other directives from the National Treasury, for example in the form of budget circulars, are also taken into cognizance.
- **Annual Report**  
Annual report is compiled in terms of the MFMA and NT requirements.
- **SDBIP**  
The detail SDBIP document is at a draft stage and will be finalized after approval of the 2018/19 budget, directly aligned and informed by the 2018/19 budget.
- **Alignment of Budget with development priorities**  
There is clear linkage between the budget and the IDP. The Municipality is implementing programme budgeting to ensure that the development programmes identified in the IDP are appropriately funded.
- **Internship programme**  
The Municipality has been participating since 2007 actively in the Municipal Financial Management Internship Programme. The programme started with two interns undergoing training in various divisions of the Financial Services Department.

Five interns were appointed in February 2017 for a period of 36 months ending January 2020 and additional 3 were appointed in January 2018. These interns are funded by National Treasury (NT) with a R120 000.00 per intern per annum





## 2.14 MFMA BUDGET CIRCULAR 91





## Municipal Budget Circular for the 2018/19 MTREF

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## Introduction

This budget circular is a follow-up to the one issued in December 2017. It guides municipalities with their preparation of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars it should be read within this context. Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate. The key focus of this Circular is the grant allocations per the 2018 Budget Review and the 2018 Division of Revenue Bill.

### 1. The South African economy and inflation targets

The 2018 Budget Review emphasised that, although global risk factors remain elevated, the world economy continues to provide a supportive platform for South Africa to expand trade and investment. The world economic growth is at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient. Growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.

The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis in the Western Cape and other provinces will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In addition, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

The following macro-economic forecasts must be considered when preparing the 2018/19 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2017 - 2020**

| Fiscal year                    | 2017/18  | 2018/19  | 2019/20 | 2020/21 |
|--------------------------------|----------|----------|---------|---------|
|                                | Estimate | Forecast |         |         |
| Consumer Price Inflation (CPI) | 5.3%     | 5.3%     | 5.4%    | 5.5%    |
| Real GDP growth                | 1.0%     | 1.5%     | 1.8%    | 2.1%    |

Source: 2018 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

## 2. Key focus areas for the 2018/19 budget process

### 2.1 Local government grants and additional allocations

Since the 2017 Medium Term Budget Policy Statement (MTBPS) reprioritisation and reductions undertaken have affected planned spending for 2018/19. Local government direct and indirect transfers absorb 18.8 per cent of the reductions. A total of R13.9 billion has been cut from direct local government conditional grant allocations for the Medium Term Expenditure Framework (MTEF) period ahead since the 2017 MTBPS was tabled. Indirect grants to local government have been reduced by an additional R2.2 billion.

The reductions did not affect all conditional grants, and not all grants were reduced by the same percentage. The infrastructure conditional grants, particularly the larger ones, were mainly affected as this was considered the most practical approach. The overall impact of reducing this funding affects capital programmes; therefore local government's share of the reductions is higher than their share of the division of revenue, given that municipalities receive a number of infrastructure grants. The average reductions over the medium term are 3.5 per cent of local government allocations.

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Allocations to the local government equitable share will continue to grow over the next three years, alongside a significant reduction in conditional grants. The total value of conditional grants directly transferred to local government increases from R43.3 billion in 2018/19 to R44.8 billion in 2019/20 and R47.8 billion in 2020/21.

Large municipalities are expected to invest more of their own resources, offsetting some of the impact of reductions to infrastructure grants, while building partnerships with the private sector for infrastructure delivery over the period ahead.

The 2018 Budget provides for R382.8 billion to be transferred directly to local government and a further R21.8 billion allocated to indirect grants for the 2018 MTREF. Direct transfers to local government over the medium term account for 9 per cent of national government's non-interest expenditure. Total direct allocations to local government grow at an annual average rate of 7.5 per cent over the MTEF period. The total spending on local government increases to 9.5 per cent of national non-interest expenditure when adding indirect transfers.

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:  
<http://www.treasury.gov.za/documents/national%20budget/2018/>

### **Changes to local government allocations**

## Unconditional grants

An amount of R3.4 billion is added to the *local government equitable share* over the medium term to compensate for the rising costs of providing free basic services to the growing number of indigent households. This covers the likely above-inflation increases in the costs of bulk water and electricity. This also allows for faster increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula. This allocation is in addition to the previous increases and an above inflation growth rate for the baseline in 2020/21. This means that the local government equitable share grows at an annual average rate of 10.4 per cent over the MTEF.

## Conditional grants

The most substantial reduction has been applied to the largest grant – the *municipal infrastructure grant*. However, the structure of the formula used to allocate this grant reduces the impact of reductions on smaller municipalities. Project-based grants, such as those in the electricity and water sectors, have identified projects that will be postponed as a result of the adjustments. These changes do not affect any water augmentation projects in drought-affected areas.

Reductions to the *public transport network grant* are much larger in the outer years of the MTEF. This allows for the Department of Transport and the National Treasury to review the sustainability of public transport plans and to assess whether some cities should put projects on hold while they revisit system design.

The 2017 MTBPS announced a new funding mechanism to support recovery plans for municipalities that face a financial crisis, as provided for in section 139(5) of the Constitution. A *new municipal restructuring grant* will be introduced to help municipalities in financial crisis to implement reforms to turn themselves around. The National Treasury will consult with national departments, provinces and South African Local Government Association (SALGA) on the design of the grant and its coordination with other capacity-building programmes during 2018. The grant is intended to be a short-term intervention that will fund the turnaround of struggling municipalities. It will help identified municipalities that are in financial distress, but have demonstrated a commitment to implementing the necessary reforms. If needed, the intervention powers outlined in section 139 of the Constitution may also be used as part of the broader approach to turning around these municipalities.

The municipal restructuring grant will be made available within the parameters of the existing legal framework and will not provide bailouts to municipalities. It will fund the implementation of specific outputs in support of a financial recovery plan approved by a municipal council. The council must demonstrate political buy-in by adopting such a plan, and the municipality must also commit its own resources to implementing parts of the plan.

Smaller cities face some of the same urban development challenges as major metropolitan areas. These cities will be eligible for a *new integrated urban development grant* from 2019/20. Cities will have to meet planning and performance criteria to receive the grant, which will be funded through a shift of funds from the municipal infrastructure grant. The new grant will require cities to plan for a programme of infrastructure investment, funded from grants and own revenues, rather than just standalone projects. This aligns with the policy set out in the Integrated Urban Development Framework (IUDF) approved by Cabinet in April 2016. This approach will be piloted in uMhlathuze and Polokwane local municipalities in 2018/19. Eligible municipalities will be invited to apply for the grant during 2018. The application process is set out in clause 27(5) of the 2018 Division of Revenue Bill.



## 2.2 Drought disaster relief

Severe drought conditions are affecting large parts of the country, and placing extreme strain on the supply of water to the nearly 4 million people in the City of Cape Town. Some smaller towns in the Northern Cape, Eastern Cape and Western Cape, as well as Nelson Mandela Bay Metro, are also facing severe water shortages. The drought has been classified as a national disaster by the National Disaster Management Centre. Government is committed to managing available supply to ensure basic needs are met, while implementing plans to improve long-term sustainability in a water stressed country.

Government is prepared to provide financial assistance as deemed necessary:

- A provisional allocation of R6 billion has been set aside in 2018/19 for drought relief in several provinces, to assist the water sector and to augment public investment projects supported by improved infrastructure planning. Some of these funds may be allocated to support water augmentation projects in an Adjustments Budget, however, the full costs of new schemes will eventually have to be recovered from water users through tariffs.
- The Division of Revenue Act allows for conditional grant funds to be reallocated for disaster relief. Such additional funding may be used in 2017/18 for immediate interventions such as accelerating groundwater development.
- Disaster relief grants for provinces and municipalities are R423.7 million in 2017/18 and R472.9 million in 2018/19. This may be quickly released to assist in the event of an emergency.
- If agricultural employment is seriously destabilised, government can temporarily increase the intake on the Working for Water Programme. These short-term jobs will provide a substitute employment option, while helping to improve runoff in catchment areas by removing alien vegetation.

## 2.3 Participation in RT15-2016 Vodacom transversal contract- for the supply and delivery of mobile communication services to the state

When municipalities make an application to the Office of the Chief Procurement Officer (OCPO) to participate in the RT15-2016 transversal contract's account management service offering in respect of smart meters, they must comply with the process that will be communicated in an MFMA Circular that will soon be issued. In terms of the application process municipalities are expected to provide evidence of adequate operating budget provision over the MTREF. The Circular will include pre-conditions for eligibility to participate, such as adequate resourcing and technology platform to fulfil their obligation as envisaged by the Smart Utility Management Solution; and capability to sustain the implementation effort in the longer term.

## 3. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore municipalities are required to **justify all increases in excess of the projected inflation target for 2018/19** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition municipalities should



include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving own revenue collection, working more efficiently and implementing cost containment measures.

### **3.1 Eskom bulk tariff increases**

The National Energy Regulator of South Africa (NERSA) published their "Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2018/19 Financial Year" on 28 February 2018. Municipalities are encouraged to download the full guideline document (available at [www.nersa.org.za](http://www.nersa.org.za)) and study it carefully. The guideline includes an update to the average cost structure used to determine the municipal tariff increase. It also sets out proposed timeframes for the approval of municipal tariffs. NERSA invites comments on the guideline to be submitted by 20 March 2018.

The NERSA document proposes a 6.84 per cent guideline increase for municipal electricity tariffs for 2018/19. This is based on a bulk tariff increase for municipalities of 7.32 per cent.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

It should be noted that the guideline increase for municipal tariffs and the bulk tariff increase that Eskom will charge municipalities are both lower than the 8 per cent used to calculate the free basic electricity subsidies provided through the local government equitable share formula.

## **4. Funding choices and management issues**

### **4.1 Management issues**

Many municipalities continue to face institutional challenges and mismanagement that result in service delivery failures, bad debt accumulation, limited cash flows and consequent non-payment of creditors. Eskom and water boards are owed the greater percentage of the total municipal creditors; and protracted non-payment undermines the financial sustainability of these state-owned entities.

The non-payment of creditors is a symptom of underlying problems which include, among others, weaknesses in revenue collection and underinvestment in asset maintenance and renewal, which compromises the reliability of delivering basic services. There are too many municipalities that fail to adopt credible budgets and this means that even if they adhere to their budgeted plans, they will not be financially sustainable.

The national and provincial departments collectively owe municipalities and while much of the historic debt has been verified by the Department of Public Works there are departments that do not have sufficient funds to settle these debts. The Department of Public Works continues to facilitate the ongoing government debt verification and settlement process.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities

consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.

Government will introduce a conditional grant in the outer years of the 2018 MTEF to provide support to municipalities facing financial crises. This grant funding will only be accessible to municipalities that have demonstrated the political will to implement reforms necessary to turn themselves around. The grant will be designed and consulted during 2018.

#### 4.2 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.

#### 4.3 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

### 5. Conditional Grant Transfers to Municipalities

This section provides guidance to municipalities with regard to the preparation for the 2017/18 unspent conditional grant and roll-over process and should be referenced to previous annual budget circulars.

#### 5.1 Criteria for the rollover of conditional grant funds

Section 22 of the 2017 Division of Revenue Act (DoRA) requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer, provincial treasury and transferring national officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer must be addressed to the **National Treasury** requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2017 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
  - a) Proof that the project tender was published and the period for tender submissions closed before 31 March;
  - b) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or

- c) Proof of a project tender, appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project; and
  - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2019 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation (**attach a visible implementation plan**);
  5. The value of the committed project funding, and the conditional allocation from the funding source;
  6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
  7. Municipalities must not include previous year's unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;
  8. An indication of the time-period within which the funds are to be spent if the roll over is approved; and
  9. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed.

***No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy.***

**If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2018, the application will be declined.**

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2017 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements information to National Treasury by 31 August 2018;
3. Accurate disclosure of grant performance in the 2017/18 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. The National Treasury will not consider requests to approve the entire allocation to the municipality as there should be a minimum spend of 50 per cent of the allocation per programme;
5. Cash available in the bank (net position including short term investments) as at 30 June 2018 and in line with the cash flow statements to finance the roll-over request;
6. No approval will be granted to municipalities requesting a roll-over of the same grant for the third consecutive time;
7. Incorporation of the Appropriation Statement;
8. No roll over application project constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) will be approved. Projects linked to additional funding and disasters are exempted;
9. If the full amount that is requested for roll over is not entirely cash backed, such a roll over will not be approved. National Treasury will not approve portions of roll over requests; and
10. Evidence that the roll over application is linked to invoices that were issued within the last 30 days of the municipal financial year end.

## 5.2 Unspent conditional grant funds for 2017/18

The process to ensure the return of unspent conditional grants for the 2017/18 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2018 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile.
- Step 2: When preparing the Annual Financial Statements a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2018. These amounts **MUST** exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately.
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2017 DoRA that the unspent funds are committed to identifiable projects, the roll over application pack must be submitted to National Treasury by 31 August 2018.

***National Treasury will not consider any rollover requests that are incomplete or received after this deadline.***

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2018 or whether it will agree to any alternative payment arrangement or schedules.
- Step 5: National Treasury will communicate the unspent conditional grants amount by 05 November 2018. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2018.
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2018, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 03 December 2018 equitable share allocation.

**All other issues pertaining to Appropriation Statement and reporting on approved roll overs are addressed in the Annexure to MFMA Circular No. 86.**

## 6. The Municipal Budget and Reporting Regulations

### 6.1 The impact of VAT increase on tariffs

VAT will increase from 14 per cent to 15 per cent from April 2018. In terms of Section 7(4) of Value-Added Tax Act (No. 89 of 1991), the VAT increase takes effect on 1 April. It is a tax increase as result of tax legislation that municipalities must implement and not an increase of tariffs by the municipalities. Therefore Section 28(6) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA), is not applicable in this regard.

Whether the additional amount is recoverable from the customer or not, the supplier must account for VAT on any supplies made on or after 1 April 2018 at the increased VAT rate.



The South African Revenue Service issued a guideline on how the increase in VAT must be implemented. The guideline is available on the link below:

<http://www.sars.gov.za/AllDocs/OpsDocs/Guides/LAPD-VAT-G13%20-%20VAT%20Pocket%20Guide%20on%20the%20VAT%20rate%20increase%20on%201%20April%202018%20-%20External%20Guide.pdf>

## 6.2 Schedule A - version to be used for the 2018/19 MTREF

National Treasury has released Version 6.2 of Schedule A1 (the Excel Formats) which is aligned to version 6.2 of the mSCOA classification framework which must be used when compiling the 2018/19 MTREF budget. **ALL** municipalities **MUST** use this version for the preparation of their 2018/19 MTREF budget.

*It is imperative that all municipalities prepare their 2018/19 MTREF budgets in their mSCOA financial systems and that the A1 schedule be produced directly from their financial system. All financial systems must have this functionality to assist and prepare budgets.*

Special attention must be given to the supporting schedules in the prescribed A1 Schedule. Where detailed data is housed in a sub-system e.g. human resource data for SA22 to SA24, this data must be extracted from the sub-system into the applicable supporting sheet.

The following supporting tables will be included for perusal and sign-off during the verification process of the 2018 MTREF: SA11, SA12a, SA13a, SA14, SA22, SA23, SA24, SA25, SA27, SA36, SA37 and SA38.

It is therefore important to focus on the additional supporting data as well as the financial data submitted on A1 to A10 during the verification process undertaken with National Treasury, the provincial treasuries and all municipalities.

Download Version 6.2 of Schedule A1 by clicking [HERE](#)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

## 6.3 Assistance with the compilation of budgets

In cases where the municipality requires advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury official:

| Province     | Responsible NT officials | Tel. No.     | Email  |
|--------------|--------------------------|--------------|--|
| Eastern Cape | Bernard Mokgabodi        | 012-315 5936 | <a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>     |
|              | Matjatji Mashoeshoe      | 012-315 5553 | <a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a> |
| Free State   | Jordan Maja              | 012-315 5663 | <a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>                 |
|              | Cethekile Moshane        | 012-315 5079 | <a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>     |
| Gauteng      | Kgomotso Baloyi          | 012-315 5866 | <a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>         |

|                                     |                    |              |  |
|-------------------------------------|--------------------|--------------|--|
|                                     | Nomxolisi Mawulana | 012-315 5460 | <a href="mailto:Nomxolisi.Mawulana@treasury.gov.za">Nomxolisi.Mawulana@treasury.gov.za</a> |
| KwaZulu-Natal                       | Bernard Mokgabodi  | 012-315 5936 | <a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>   |
|                                     | Johan Botha        | 012-315 5171 | <a href="mailto:Johan.Botha@treasury.gov.za">Johan.Botha@treasury.gov.za</a>               |
| Limpopo                             | Una Rautenbach     | 012-315 5700 | <a href="mailto:Una.Rautenbach@treasury.gov.za">Una.Rautenbach@treasury.gov.za</a>         |
|                                     | Sifiso Mabaso      | 012-315 5952 | <a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>           |
| Mpumalanga                          | Willem Voigt       | 012-315 5830 | <a href="mailto:Willem.Voigt@treasury.gov.za">Willem.Voigt@treasury.gov.za</a>             |
|                                     | Mandla Gilimani    | 012-315 5807 | <a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>       |
| Northern Cape                       | Jordan Maja        | 012-315 5663 | <a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>               |
|                                     | Anthony Moseki     | 012-315 5174 | <a href="mailto:Anthony.Moseki@treasury.gov.za">Anthony.Moseki@treasury.gov.za</a>         |
| North West                          | Sadesh Ramjathan   | 012-315 5101 | <a href="mailto:Sadesh.Ramjathan@treasury.gov.za">Sadesh.Ramjathan@treasury.gov.za</a>     |
|                                     | Makgabo Mabotja    | 012-315 5156 | <a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>       |
| Western Cape                        | Vuyo Mbunge        | 012-315 5661 | <a href="mailto:Vuyo.Mbunge@treasury.gov.za">Vuyo.Mbunge@treasury.gov.za</a>               |
|                                     | Kevin Bell         | 012-315 5725 | <a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>                 |
| Technical issues with Excel formats | Elsabe Rossouw     | 012-315 5534 | <a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>           |

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the mSCOA data strings will be assessed to determine whether the municipalities are compliant.

The National Treasury herewith emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to return to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The Schedule A that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. Schedules D must be submitted for each entity.

## 7. Budget process and submissions for the 2018/19 MTREF

### 7.1 Budgeting for the audited years on Schedule A (mSCOA)

According to international learning practices, it is appropriate to reclassify historical information in accordance with the changes that occur in the Standard Chart of Accounts. Municipalities must capture the reclassified audit outcomes for 2014/15 to 2016/17 in version 6.2 of the Schedule A when compiling 2018/19 MTREF budgets.

The amalgamated municipalities must complete the 2016/17 audited years, current year (2017/18) and the 2018/19 MTREF budgets.

## 7.2 Submitting budget documentation and schedules for 2018/19 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is **Tuesday, 03 April 2018**. The deadline for submission of hard copies including council resolution is **Friday, 06 April 2018**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- the budget locking certificate; and
- schedules D specific for the entities.

Municipalities are required to send electronic versions of documents and the A1 schedule to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). Any problems experienced in this regard can be addressed with Elsabe Rossouw at [Elsabe.Rossouw@treasury.gov.za](mailto:Elsabe.Rossouw@treasury.gov.za). Budget related documents and schedules may also be uploaded using the LG Upload Portal at <https://portals.treasury.gov.za/sites/LGUploadPortal/SitePages/Home.aspx>

Municipalities are required to send printed submissions of their budget documents and council resolution to:

### **For couriered documents**

Ms Linda Kruger  
National Treasury  
40 Church Square  
Pretoria, 0002

### **For posted documents**

Ms Linda Kruger  
National Treasury  
Private Bag X115  
Pretoria, 0001



In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 31 March 2018 to [Yasmin.coovadia@treasury.gov.za](mailto:Yasmin.coovadia@treasury.gov.za). If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to [yasmin.coovadia@gmail.com](mailto:yasmin.coovadia@gmail.com) or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with [Yasmin.Coovadia@treasury.gov.za](mailto:Yasmin.Coovadia@treasury.gov.za). Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3<sup>rd</sup> floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

### 7.3 Budget reform returns to the Local Government Database for publication

Municipalities are required to continue to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. All returns are to be sent to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za). Although there is some mis-alignment between the mSCOA classification and the budget return forms, municipalities must find the best fit to represent their 2018 MTREF budget figures as the publications will still be based on the budget returns for 2018/19.

Municipalities must submit returns for both the **tabled** budget and the final **adopted** budget as this will assist the National and provincial treasuries with the annual benchmark process. The current electronic returns may be downloaded from National Treasury's website at the following link: [http://mfma.treasury.gov.za/Return\\_Forms/Pages/default.aspx](http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx).

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

### 7.4 Upload of the mSCOA budget data strings to the LG upload portal

Municipalities must upload the mSCOA data strings for the tabled (**TABB**) and adopted (**ORGB**) budget to the upload portal. The budget data strings must be accompanied by the IDP project details data strings (**PRTA** and **PROR**). The deadlines for submission of the MBRR documents are also applicable to the mSCOA data strings. Refer to paragraph 7.2 above.

### 7.5 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (including the audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting transparency and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

## Contact



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Post** Private Bag X115, Pretoria 0001  
**Phone** 012 315 5009  
**Fax** 012 395 6553  
**Website** <http://www.treasury.gov.za/default.aspx>

JH Hattingh  
Chief Director: Local Government Budget Analysis  
07 March 2018

## 2.16 Municipal Manager Quality Certificate





# *Ga-Segonyana*

**MUNISIPALITEIT • MUNICIPALITY • MASEPALA**

Our Ref No.:  
Ons Verw. Nr.:  
Tshupelo ya rona:

Cnr Voortrekker and School Streets  
Private Bag X1522, KURUMAN 8460

Tel: 053 712 9300

Fax: 053 712 5381

Enquiries:  
Navrae:  
Dipatlisiso:

E-mail: kuruman@ga-segonyana.gov.za

VAT Reg. no. 7890117197

## **QUALITY CERTIFICATE**

I **MARTIN TSATSIMPE**, Municipal Manager of **GA-SEGONYANA LOCAL MUNICIPALITY** ( name of Municipality), hereby certify that the Draft Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the 2018/19 Draft Budget and supporting documents are consistent with the integrated Development plan of the municipality.

Print Name **Martin Tsatsimpe**

Municipal manager of **GA-SEGONYANA LOCAL MUNICIPALITY**

**NC 452** (Name and Demarcation code of municipality)

Signature

Date: 29 March 2018









# NC452 Ga-Segonyane - Contact information

## A. GENERAL INFORMATION

|                |                         |
|----------------|-------------------------|
| Municipality   | NC452 Ga-Segonyane      |
| Grade          |                         |
| Province       | NC NORTHERN CAPE        |
| Web Address    |                         |
| e-mail Address | WWW.GA-SEGONYANE.GOV.ZA |

1 Grade is name of the Commissioner of Public Office Services Act

## B. CONTACT INFORMATION

|                   |                                  |
|-------------------|----------------------------------|
| Postal address:   |                                  |
| P.O. Box          | Private Bag X1522                |
| City / Town       | Kuruman                          |
| Postal Code       | 8460                             |
| Street address    |                                  |
| Building          | Municipal Building               |
| Street No. & Name | On School and Voortrekker Street |
| City / Town       | Kuruman                          |
| Postal Code       | 8460                             |
| General Contacts  |                                  |
| Telephone number  | 053 712 8930                     |
| Fax number        | 053 712 3551                     |

## C. POLITICAL LEADERSHIP

|                  |                     |                                     |                    |
|------------------|---------------------|-------------------------------------|--------------------|
| <b>Speaker:</b>  |                     | <b>Secretary/PA to the Speaker:</b> |                    |
| ID Number        | 820523 5455 582     | ID Number                           | 570521 0635 066    |
| Title            | Mr                  | Title                               | Mrs                |
| Name             | TJ. Meeus           | Name                                | K. Mooler          |
| Telephone number | 053 712 8405        | Telephone number                    | 053 712 8448       |
| Cell number      | 082 312 7137        | Cell number                         | 073 5895 132       |
| Fax number       | 053 712 3551        | Fax number                          | 053 712 3551       |
| E-mail address   | ptemeyers@gmail.com | E-mail address                      | k.mooler@gmail.com |

|                               |                    |   |                     |
|-------------------------------|--------------------|---|---------------------|
| <b>Mayor/Executive Mayor:</b> |                    | <b>Secretary/PA to the Mayor/Executive Mayor:</b> |                     |
| ID Number                     | 741020 6773 062    | ID Number   | 750729 0502 084     |
| Title                         | Mr                 | Title   | Mrs                 |
| Name                          | Nico Masepo        | Name  | Tshegetsebe Seel    |
| Telephone number              | 053 712 8368       | Telephone number                                  | 053 712 8424        |
| Cell number                   | 072 545 4200       | Cell number                                       | 083 249 5044        |
| Fax number                    | 053 712 3551       | Fax number  | 053 712 3551        |
| E-mail address                | ngmasepo@gmail.com | E-mail address                                    | tshegetse@gmail.com |

|                                      |  |  |  |
|--------------------------------------|--|--|--|
| <b>Deputy Mayor/Executive Mayor:</b> |  | <b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b> |  |
| ID Number                            |  | ID Number  |  |
| Title                                |  | Title  |  |
| Name                                 |  | Name   |  |
| Telephone number                     |  | Telephone number   |  |
| Cell number                          |  | Cell number  |  |
| Fax number                           |  | Fax number   |  |
| E-mail address                       |  | E-mail address   |  |

## D. MANAGEMENT LEADERSHIP

|                           |                     |   |                   |
|---------------------------|---------------------|---|-------------------|
| <b>Municipal Manager:</b> |                     | <b>Secretary/PA to the Municipal Manager:</b> |                   |
| ID Number                 | 7804056422081       | ID Number                                     | 9110770720050     |
| Title                     | Mr                  | Title   | Mrs               |
| Name                      | Melvin Tsalimpe     | Name  | Kecamele Gacbaswe |
| Telephone number          | 053 712 8333        | Telephone number                              | 053 712 3301      |
| Cell number               | 082 727 3823        | Cell number                                   | 0129473140        |
| Fax number                | 053 712 3551        | Fax number                                    | 053 712 3551      |
| E-mail address            | mtsalimpe@gmail.com | E-mail address                                |                   |

|                                 |                    |   |                     |
|---------------------------------|--------------------|---|---------------------|
| <b>Chief Financial Officer:</b> |                    | <b>Secretary/PA to the Chief Financial Officer:</b> |                     |
| ID Number                       | 5205145673050      | ID Number   | 500718 0475 036     |
| Title                           | Mr                 | Title   | Mrs                 |
| Name                            | Kagiso Nkomo       | Name  | LT. Bcoylen         |
| Telephone number                | 053 712 8370       | Telephone number                                    | 053 712 8415        |
| Cell number                     | 075 155 2187       | Cell number   | 075 509 5472        |
| Fax number                      | 053 712 3551       | Fax number  | 046 530 8495        |
| E-mail address                  | kagisonk@gmail.com | E-mail address                                      | ltbcoylen@gmail.com |

|   |                   |   |                        |
|---|-------------------|---|------------------------|
| <b>Official responsible for submitting financial information:</b> |                   | <b>Official responsible for submitting financial information:</b> |                        |
| ID Number   | 830525 0368 057   | ID Number   | 871110 0532 053        |
| Title   | Mrs               | Title   | Mrs                    |
| Name  | Debbie Fekile     | Name  | Nontela Kozwa          |
| Telephone number  | 053 712 8329      | Telephone number  | 053 712 8346           |
| Cell number   | 083 565 5555      | Cell number   | 072 458 8854           |
| Fax number  | 053 712 3551      | Fax number  | 053 712 3551           |
| E-mail address  | dfekile@gmail.com | E-mail address  | kpozwa@ntela@gmail.com |

|   |                       |   |                            |
|---|-----------------------|---|----------------------------|
| Official responsible for submitting financial information |                       | Official responsible for submitting financial information |                            |
| ID Number   | 841227 0521 084       | ID Number   | 500504 0425 065            |
| Title   | Mrs                   | Title   | Mrs                        |
| Name  | Comdence Kakaoni      | Name  | Tehegalete Jarius          |
| Telephone number  | 063 712 8345          | Telephone number  | 063 712 8370               |
| Cell number   | 073 854 1270          | Cell number   | 079 5027 854               |
| Fax number  | 063 712 3581          | Fax number  | 063 712 3581               |
| E-mail address  | comdencenka@gmail.com | E-mail address  | tehegaletejarius@gmail.com |
| Official responsible for submitting financial information |                       | Official responsible for submitting financial information |                            |
| ID Number   |                       | ID Number   |                            |
| Title   |                       | Title   |                            |
| Name  |                       | Name  |                            |
| Telephone number  |                       | Telephone number  |                            |
| Cell number   |                       | Cell number   |                            |
| Fax number  |                       | Fax number  |                            |
| E-mail address  |                       | E-mail address  |                            |
| Official responsible for submitting financial information |                       | Official responsible for submitting financial information |                            |
| ID Number   |                       | ID Number   |                            |
| Title   |                       | Title   |                            |
| Name  |                       | Name  |                            |
| Telephone number  |                       | Telephone number  |                            |
| Cell number   |                       | Cell number   |                            |
| Fax number  |                       | Fax number  |                            |
| E-mail address  |                       | E-mail address  |                            |
| Official responsible for submitting financial information |                       | Official responsible for submitting financial information |                            |
| ID Number   |                       | ID Number   |                            |
| Title   |                       | Title   |                            |
| Name  |                       | Name  |                            |
| Telephone number  |                       | Telephone number  |                            |
| Cell number   |                       | Cell number   |                            |
| Fax number  |                       | Fax number  |                            |
| E-mail address  |                       | E-mail address  |                            |
| Official responsible for submitting financial information |                       | Official responsible for submitting financial information |                            |
| ID Number   |                       | ID Number   |                            |
| Title   |                       | Title   |                            |
| Name  |                       | Name  |                            |
| Telephone number  |                       | Telephone number  |                            |
| Cell number   |                       | Cell number   |                            |
| Fax number  |                       | Fax number  |                            |
| E-mail address  |                       | E-mail address  |                            |
| Official responsible for submitting financial information |                       | Official responsible for submitting financial information |                            |
| ID Number   |                       | ID Number   |                            |
| Title   |                       | Title   |                            |
| Name  |                       | Name  |                            |
| Telephone number  |                       | Telephone number  |                            |
| Cell number   |                       | Cell number   |                            |
| Fax number  |                       | Fax number  |                            |
| E-mail address  |                       | E-mail address  |                            |
| Official responsible for submitting financial information |                       | Official responsible for submitting financial information |                            |
| ID Number   |                       | ID Number   |                            |
| Title   |                       | Title   |                            |
| Name  |                       | Name  |                            |
| Telephone number  |                       | Telephone number  |                            |
| Cell number   |                       | Cell number   |                            |
| Fax number  |                       | Fax number  |                            |
| E-mail address  |                       | E-mail address  |                            |

NC452 Ga-Segonyana - Table A1 Budget Summary

| Description  | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousands  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Financial Performance</b>   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 30,538          | 31,172          | 38,280          | 39,075               | 39,075          | -                  | -                 | 42,554  | 44,894                 | 47,353                 |
| Service charges  | 130,312         | 97,845          | 122,760         | 130,255              | 129,280         | -                  | -                 | 133,298   | 140,496                | 146,223                |
| Investment revenue   | 1,693           | 1,033           | 176             | 1,100                | 1,900           | -                  | -                 | 2,992   | 3,153                  | 3,327                  |
| Transfers recognised - operational                                   | 100,581         | 130,032         | 123,109         | 134,548              | 151,277         | -                  | -                 | 161,757   | 170,330                | 179,533                |
| Other own revenue  | 56,153          | 37,560          | 45,619          | 27,078               | 22,695          | -                  | -                 | 21,081  | 22,215                 | 23,441                 |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>289,288</b>  | <b>297,642</b>  | <b>327,944</b>  | <b>332,051</b>       | <b>341,227</b>  | <b>-</b>           | <b>-</b>          | <b>361,722</b>                                      | <b>381,083</b>         | <b>401,686</b>         |
| Employee costs   | 90,554          | 58,142          | 103,870         | 111,875              | 109,821         | -                  | -                 | 123,355   | 133,220                | 140,547                |
| Remuneration of councillors  | 7,002           | 7,939           | 7,815           | 8,458                | 9,187           | -                  | -                 | 8,524   | 10,039                 | 10,591                 |
| Depreciation & asset impairment                                      | 45,604          | 48,479          | 51,788          | 36,201               | 36,201          | -                  | -                 | 42,875  | 45,244                 | 48,798                 |
| Finance charges  | 5,319           | 5,481           | 2,763           | 2,813                | 6,508           | -                  | -                 | 5,414   | 5,706                  | 6,020                  |
| Materials and bulk purchases   | 59,426          | 119,228         | 114,850         | 82,025               | 113,240         | -                  | -                 | 114,018   | 120,175                | 126,785                |
| Transfers and grants   | -               | -               | -               | -                    | 70              | -                  | -                 | 50  | 53                     | 56                     |
| Other expenditure  | 134,332         | 86,120          | 112,445         | 86,326               | 86,089          | -                  | -                 | 80,175  | 84,505                 | 85,152                 |
| <b>Total Expenditure</b>   | <b>342,739</b>  | <b>395,086</b>  | <b>369,532</b>  | <b>330,489</b>       | <b>363,117</b>  | <b>-</b>           | <b>-</b>          | <b>379,451</b>                                      | <b>399,541</b>         | <b>421,938</b>         |
| <b>Surplus/(Deficit)</b>   | <b>(52,870)</b> | <b>(97,444)</b> | <b>(66,520)</b> | <b>1,563</b>         | <b>(21,890)</b> | <b>-</b>           | <b>-</b>          | <b>(17,729)</b>                                     | <b>(18,648)</b>        | <b>(20,350)</b>        |
| Transfers and subsidies - capital (monetary allocations)             | 65,072          | 90,431          | 103,122         | 94,211               | 77,480          | -                  | -                 | 94,432  | 135,684                | 92,353                 |
| Contributions recognised - capital & contributed assets              | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>32,102</b>   | <b>22,987</b>   | <b>37,502</b>   | <b>95,764</b>        | <b>55,590</b>   | <b>-</b>           | <b>-</b>          | <b>76,703</b>                                       | <b>117,035</b>         | <b>72,343</b>          |
| Share of surplus/ (deficit) of associate                             | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>32,102</b>   | <b>22,987</b>   | <b>37,502</b>   | <b>95,764</b>        | <b>55,590</b>   | <b>-</b>           | <b>-</b>          | <b>76,703</b>                                       | <b>117,035</b>         | <b>72,343</b>          |
| <b>Capital expenditure &amp; funds sources</b>                       |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital expenditure</b>   | <b>103,857</b>  | <b>118,384</b>  | <b>102,527</b>  | <b>95,256</b>        | <b>90,980</b>   | <b>-</b>           | <b>-</b>          | <b>100,176</b>                                      | <b>136,684</b>         | <b>92,383</b>          |
| Transfers recognised - capital                                       | 113,332         | 103,142         | 94,233          | 94,211               | 77,480          | -                  | -                 | 94,432  | 136,684                | 92,383                 |
| Public contributions & donations                                     | -               | 13,852          | 7,397           | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Borrowing  | 2,316           | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Internally generated funds   | 5,468           | 1,390           | 896             | 1,045                | 13,500          | -                  | -                 | 5,745   | -                      | -                      |
| <b>Total sources of capital funds</b>                                | <b>121,115</b>  | <b>118,384</b>  | <b>102,527</b>  | <b>95,256</b>        | <b>90,980</b>   | <b>-</b>           | <b>-</b>          | <b>100,176</b>                                      | <b>136,684</b>         | <b>92,383</b>          |
| <b>Financial position</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total current assets   | 68,129          | 95,176          | 121,295         | 86,417               | 107,084         | -                  | -                 | 108,068   | 111,881                | 117,632                |
| Total non current assets   | 990,756         | 1,158,413       | 1,186,557       | 1,160,405            | 1,279,537       | -                  | -                 | 1,298,733   | 1,425,417              | 1,517,810              |
| Total current liabilities  | 61,188          | 126,887         | 157,034         | 29,041               | 64,041          | -                  | -                 | 67,382  | 56,985                 | 56,382                 |
| Total non current liabilities  | 56,018          | 53,953          | 45,781          | 20,863               | 55,735          | -                  | -                 | 52,151  | 9,225                  | 9,732                  |
| Community wealth/Equity  | 941,678         | 1,073,748       | 1,107,036       | 1,188,799            | 1,236,845       | -                  | -                 | 1,275,288   | 1,469,084              | 1,566,528              |
| <b>Cash flows</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net cash from (used) operating                                       | 94,512          | 114,834         | 101,164         | 98,638               | 69,653          | -                  | -                 | 94,725  | 135,835                | 92,587                 |
| Net cash from (used) investing                                       | (104,234)       | (116,817)       | (95,394)        | (95,256)             | (91,339)        | -                  | -                 | (91,176)  | (136,684)              | (92,393)               |
| Net cash from (used) financing                                       | (2,191)         | 1,685           | (1,312)         | (4,790)              | (6,697)         | -                  | -                 | (4,550)   | -                      | -                      |
| Cash/cash equivalents at the year end                                | 531             | 532             | 990             | 176                  | 2,638           | -                  | -                 | 1,608   | 1,759                  | 1,754                  |
| <b>Cash backing/surplus reconciliation</b>                           |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash and investments available                                       | 531             | 532             | 990             | -                    | 2,606           | -                  | -                 | 1,638   | 1,759                  | 1,754                  |
| Application of cash and investments                                  | 23,376          | 56,594          | 67,352          | (37,803)             | 19,470          | -                  | -                 | (4,015)   | (15,943)               | (19,345)               |
| Balance - surplus (shortfall)  | (22,745)        | (56,062)        | (66,362)        | 37,803               | (16,864)        | -                  | -                 | 5,624   | 17,702                 | 21,098                 |
| <b>Asset management</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Asset register summary (WDV)   | 990,366         | 1,158,413       | 1,188,557       | 1,143,705            | 1,278,537       | -                  | -                 | 1,298,733   | 1,425,417              | 1,517,810              |
| Depreciation   | 45,604          | 48,479          | 51,788          | 36,201               | 36,201          | -                  | -                 | 43,875  | 46,244                 | 48,798                 |
| Renewal of Existing Assets   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Repairs and Maintenance  | 22,178          | 30,610          | 16,697          | 36,780               | 12,422          | -                  | -                 | 9,333   | 9,837                  | 10,378                 |
| <b>Free services</b>   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cost of Free Basic Services provided                                 | -               | -               | -               | -                    | -               | -                  | 1,300             | 1,300   | 1,370                  | 1,446                  |
| Revenue cost of free services provided                               | 1,745           | 1,805           | 1,407           | 2,325                | 2,325           | -                  | 1,000             | 1,000   | 1,054                  | 1,112                  |
| <b>Households below minimum service level</b>                        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Water:   | 26              | 26              | 26              | 26                   | 26              | -                  | 26                | 26  | 26                     | 26                     |
| Sanitation/sewerage:   | 11              | 11              | 11              | 4                    | 4               | -                  | 4                 | 4   | 4                      | 4                      |
| Energy:  | 31              | 31              | 31              | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Refuse:  | 33              | 33              | 33              | 19                   | 19              | -                  | 19                | 19  | 19                     | 19                     |

NC452 Ga-Segonyana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

| Functional Classification Description      | Ref      | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                          | <b>1</b> |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Revenue - Functional</b>                |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Governance and administration</i>       |          | 55,141          | 59,147          | 67,844          | 58,849               | 59,423          | -                  | 70,563  | 74,373                 | 78,464                 |
| Executive and council                      |          | 12,882          | 15,484          | 14,643          | 8,320                | 8,320           | -                  | 6,100   | 6,429                  | 6,763                  |
| Finance and administration                 |          | 42,459          | 43,663          | 53,201          | 52,549               | 53,123          | -                  | 64,463  | 67,944                 | 71,681                 |
| Internal audit                             |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Community and public safety</i>         |          | 3,356           | 9,805           | 4,837           | 6,923                | 6,306           | -                  | 23,278  | 24,535                 | 25,884                 |
| Community and social services              |          | 1,424           | 1,613           | 2,576           | 5,321                | 5,323           | -                  | 10,746  | 11,326                 | 11,949                 |
| Sport and recreation                       |          | 1,329           | 793             | 2,236           | 1,532                | 922             | -                  | 12,032  | 12,682                 | 13,379                 |
| Public safety                              |          | 3               | 7,429           | 52              | 70                   | 80              | -                  | 500   | 527                    | 556                    |
| Housing                                    |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Economic and environmental services</i> |          | 57,686          | 38,200          | 47,662          | 65,304               | 56,007          | -                  | 51,772  | 54,568                 | 57,569                 |
| Planning and development                   |          | 12,746          | 21,076          | 18,019          | 16,448               | 13,035          | -                  | 11,065  | 11,653                 | 12,304                 |
| Road transport                             |          | 44,684          | 17,122          | 29,644          | 49,796               | 42,905          | -                  | 40,400  | 42,582                 | 44,924                 |
| Environmental protection                   |          | 256             | -               | -               | 60                   | 67              | -                  | 307   | 323                    | 341                    |
| <i>Trading services</i>                    |          | 258,132         | 280,922         | 295,568         | 295,126              | 296,926         | -                  | 310,472   | 364,228                | 332,288                |
| Energy sources                             |          | 102,614         | 134,702         | 123,190         | 140,619              | 136,419         | -                  | 144,837   | 152,658                | 161,054                |
| Water management                           |          | 107,835         | 113,009         | 110,399         | 89,640               | 89,640          | -                  | 86,262  | 106,830                | 80,733                 |
| Waste water management                     |          | 25,751          | 35,666          | 31,678          | 30,617               | 36,617          | -                  | 59,418  | 73,166                 | 77,190                 |
| Waste management                           |          | 24,031          | 27,645          | 30,301          | 34,050               | 34,052          | -                  | 29,966  | 31,574                 | 33,310                 |
| <i>Other</i>                               | 4        | 26              | -               | -               | 60                   | 45              | -                  | 68  | 72                     | 76                     |
| <b>Total Revenue - Functional</b>          | 2        | 374,340         | 386,074         | 415,911         | 426,262              | 418,707         | -                  | 456,154   | 517,777                | 494,281                |
| <b>Expenditure - Functional</b>            |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Governance and administration</i>       |          | 89,671          | 77,183          | 79,229          | 140,657              | 156,809         | -                  | 165,746   | 174,697                | 184,305                |
| Executive and council                      |          | 23,572          | 20,224          | 19,362          | 13,720               | 14,148          | -                  | 14,176  | 14,941                 | 15,763                 |
| Finance and administration                 |          | 65,699          | 56,959          | 59,868          | 126,977              | 142,661         | -                  | 151,571   | 159,755                | 168,542                |
| Internal audit                             |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Community and public safety</i>         |          | 33,506          | 31,307          | 29,223          | 20,784               | 17,409          | -                  | 21,731  | 22,904                 | 24,164                 |
| Community and social services              |          | 17,363          | 17,538          | 17,761          | 9,807                | 8,865           | -                  | 10,137  | 10,654                 | 11,272                 |
| Sport and recreation                       |          | 13,316          | 9,462           | 9,705           | 8,726                | 7,361           | -                  | 8,347   | 8,797                  | 9,281                  |
| Public safety                              |          | 3,206           | 4,206           | 1,768           | 2,251                | 1,064           | -                  | 3,247   | 3,422                  | 3,611                  |
| Housing                                    |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Economic and environmental services</i> |          | 71,638          | 49,863          | 96,074          | 36,374               | 35,148          | -                  | 40,261  | 42,435                 | 44,769                 |
| Planning and development                   |          | 26,482          | 16,574          | 57,437          | 15,929               | 17,190          | -                  | 19,272  | 20,313                 | 21,430                 |
| Road transport                             |          | 44,062          | 33,295          | 38,637          | 20,020               | 17,791          | -                  | 20,796  | 21,919                 | 23,125                 |
| Environmental protection                   |          | 1,095           | -               | -               | 425                  | 167             | -                  | 192   | 202                    | 213                    |
| <i>Trading services</i>                    |          | 147,323         | 190,332         | 173,834         | 132,588              | 153,716         | -                  | 151,669   | 159,859                | 166,651                |
| Energy sources                             |          | 77,439          | 96,132          | 109,756         | 83,882               | 87,225          | -                  | 92,421  | 97,412                 | 102,770                |
| Water management                           |          | 44,189          | 65,195          | 40,019          | 28,619               | 30,945          | -                  | 25,449  | 31,039                 | 32,746                 |
| Waste water management                     |          | 8,534           | 10,495          | 10,457          | 6,282                | 22,694          | -                  | 15,971  | 16,834                 | 17,758                 |
| Waste management                           |          | 17,362          | 18,509          | 13,602          | 13,805               | 12,952          | -                  | 13,827  | 14,574                 | 15,375                 |
| <i>Other</i>                               | 4        | -               | -               | -               | 55                   | 35              | -                  | 45  | 47                     | 50                     |
| <b>Total Expenditure - Functional</b>      | 3        | 342,238         | 348,685         | 378,360         | 330,499              | 363,117         | -                  | 379,451   | 399,941                | 421,938                |
| <b>Surplus/(Deficit) for the year</b>      |          | 32,102          | 39,389          | 37,551          | 95,764               | 55,590          | -                  | 76,703  | 117,835                | 72,343                 |

## References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a functional classification. The GFS function 'Other' is only for Abbot's, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

NC452 Ga-Segonyana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

| Functional Classification Description                       |   | Ref | 2014/15        | 2015/16        | 2016/17        | Current Year 2017/18 |                 |                    | 2016/18 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|---|-----|----------------|----------------|----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand  |   | 1   | Actual Outcome | Actual Outcome | Actual Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2016/18                                 | Budget Year +1 2017/19 | Budget Year +2 2018/19 |
| <b>Revenue - Functions</b>                                  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
| Municipal governance and administration                     |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 55,141         | 55,147         | 57,644         | 55,849               | 59,433          | -                  | 70,563  | 74,375                 | 78,464                 |
| Executive and council                                       |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 12,887         | 15,484         | 14,543         | 1,500                | 6,331           | -                  | 5,100   | 6,420                  | 6,763                  |
|   | Mayor and Council                                     |     | 11,773         | 14,572         | 14,419         | 1,000                | 6,165           | -                  | 3,000   | 5,900                  | 6,227                  |
|   | Municipal Manager, Town Secretary and Chief Executive |     | 811            | 911            | 224            | 300                  | 205             | -                  | 500   | 520                    | 556                    |
| Finance and administration                                  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 42,415         | 42,693         | 53,201         | 55,549               | 53,122          | -                  | 64,463  | 67,944                 | 71,681                 |
| Administrative and Corporate Support                        |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | 399            | -              | 1,382                | 1,550           | -                  | 2,331   | 2,609                  | 2,818                  |
| Asset Management  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | 282                  | 216             | -                  | 301   | 335                    | 311                    |
| Budget and Treasury Office                                  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 42,456         | 43,223         | 53,201         | 6,421                | 11,360          | -                  | 15,912  | 16,834                 | 17,701                 |
| Finance   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | 2,451                | 176             | -                  | 520   | 517                    | 535                    |
| Fleet Management  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Human Resources   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | 250                  | 230             | -                  | 710   | 738                    | 776                    |
| Information Technology                                      |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | 60                   | 60              | -                  | 500   | 507                    | 556                    |
| Legal Services  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | 100                  | 133             | -                  | 500   | 507                    | 556                    |
| Marketing, Customer Relations, Publicity and Media Co-      |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | 60                   | 60              | -                  | 500   | 507                    | 556                    |
| Property Services   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | 25,170               | 38,171          | -                  | 42,654  | 44,860                 | 47,430                 |
| Risk Management   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Security Services   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Supply Chain Management                                     |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | 153                  | 133             | -                  | 515   | 532                    | 552                    |
| Visitation Services   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Internal audit  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Governance Function   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Community and public safety                                 |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 3,256          | 9,885          | 4,837          | 6,523                | 6,306           | -                  | 23,276  | 24,535                 | 25,664                 |
| Community and social services                               |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 1,424          | 1,615          | 2,578          | 5,321                | 5,323           | -                  | 10,746  | 11,326                 | 11,949                 |
| Aged Care   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Agriculture   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Animal Care and Diseases                                    |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Children, Fosters, Fosters and Grandchildren                |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 32             | 32             | 166            | 235                  | 242             | -                  | 543   | 571                    | 633                    |
| Child Care Facilities                                       |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Community Halls and Facilities                              |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 104            | 142            | 543            | 2,791                | 3,185           | -                  | 8,036   | 8,473                  | 8,938                  |
| Consumer Protection   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Cultural Matters  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Disaster Management   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 13             | 13             | -              | 55                   | 55              | -                  | 310   | 318                    | 334                    |
| Education   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Indigenous and Customary Law                                |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Industrial Promotion  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Language Policy   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Literacy and Archives                                       |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 1,215          | 1,428          | 1,831          | 1,571                | 1,958           | -                  | 1,865   | 1,965                  | 2,073                  |
| Literacy Programmes   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Media Services  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Museums and Art Galleries                                   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Population Development                                      |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Provincial Cultural Matters                                 |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Theatres  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Zoo's   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Sport and recreation  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 1,833          | 763            | 2,206          | 1,532                | 522             | -                  | 12,832  | 12,662                 | 13,379                 |
| Beaches and Jetties   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Canoeing, Racing, Canoeing, Kogering                        |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Community Parks (including Nurseries)                       |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 282            | 337            | -              | 225                  | 220             | -                  | 500   | 527                    | 559                    |
| Recreational Facilities                                     |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 1,542          | 558            | -              | 1,212                | 672             | -                  | 597   | 900                    | 1,042                  |
| Sports Grounds and Stadiums                                 |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | 2,236          | 106                  | 33              | -                  | 10,595  | 11,107                 | 11,781                 |
| Public safety   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 3              | 7,429          | 52             | 70                   | 63              | -                  | 500   | 527                    | 556                    |
| Civil Defence   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Criming   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Control of Public Nuisances                                 |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Fencing and Fences  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Fire Fighting and Protection                                |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | 3              | 7,429          | 52             | 70                   | 60              | -                  | 500   | 527                    | 556                    |
| Licensing and Control of Animals                            |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Housing   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Housing   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Informal Settlements  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Health  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Ambulance   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Health Services   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Laboratory Services   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Food Control  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Health Surveillance and Prevention of Communicable Diseases |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Vector Control  |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |
| Chemical Safety   |   |     |                |                |                |                      |                 |                    |   |                        |                        |
|   |   |     | -              | -              | -              | -                    | -               | -                  | -   | -                      | -                      |

|   |         |         |         |         |         |   |         |         |         |
|---|---------|---------|---------|---------|---------|---|---------|---------|---------|
| Economic and environmental services                           | 57,885  | 55,200  | 47,882  | 65,384  | 96,887  | - | 51,772  | 54,566  | 57,568  |
| Planning and development                                      | 12,746  | 71,676  | 18,819  | 16,448  | 13,835  | - | 11,955  | 11,662  | 12,264  |
| (Mixtures)  | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Corporate Wide Strategic Planning (SDPs, LEDCs)               | 23      | 26      | -       | 141     | 123     | - | 1,035   | 1,056   | 1,116   |
| Central City Improvement District                             | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Development Facilitation                                      | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Economic Development/Planning                                 | 6,586   | 8,835   | 11,572  | 2,843   | 2,143   | - | 2,703   | 2,846   | 3,000   |
| Regional Planning and Development                             | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Town Planning, Building Regulations and Enforcement, and City | 6,032   | 12,415  | 8,445   | 11,191  | 6,253   | - | 4,393   | 4,585   | 4,548   |
| Project Management Unit                                       | -       | -       | -       | 2,503   | 2,503   | - | 2,003   | 2,162   | 2,328   |
| Provincial Planning   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Support to Local Municipalities                               | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Road transport  | 44,894  | 17,122  | 25,844  | 48,738  | 42,895  | - | 45,493  | 42,583  | 44,504  |
| Police Forces, Traffic and Street Parking Control             | 18,030  | -       | -       | 7,839   | 7,745   | - | 5,073   | 6,582   | 10,085  |
| Ferries   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Public Transport  | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Road and Traffic Regulation                                   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Roads   | 25,764  | 17,122  | 25,844  | 41,163  | 35,160  | - | 31,327  | 33,015  | 34,525  |
| Taxi Ranks  | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Environmental protection                                      | 256     | -       | -       | 69      | 67      | - | 307     | 323     | 341     |
| Biodiversity and Landscape                                    | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Coastal Protection  | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Indigenous Forests  | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Nature Conservation   | 256     | -       | -       | 69      | 67      | - | 307     | 323     | 341     |
| Pollution Control   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Soil Conservation   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Trading services  | 258,122 | 268,422 | 265,958 | 259,125 | 266,926 | - | 219,472 | 254,228 | 232,288 |
| Energy services   | 199,514 | 104,792 | 122,190 | 140,619 | 136,419 | - | 144,837 | 152,658 | 161,054 |
| Electricity   | 102,114 | 104,732 | 122,190 | 140,619 | 136,419 | - | 144,837 | 152,658 | 161,054 |
| Street Lighting and Signal Systems                            | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Non-electric Energy   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Water management  | 107,825 | 112,038 | 112,289 | 89,840  | 85,840  | - | 65,262  | 105,828 | 60,732  |
| Water Treatment   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Water Distribution  | 107,825 | 112,038 | 112,289 | 89,840  | 85,840  | - | 65,262  | 105,828 | 60,732  |
| Water Storage   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Waste water management  | 25,751  | 25,566  | 31,678  | 33,617  | 32,617  | - | 69,418  | 73,168  | 77,156  |
| Public Toilets  | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Sewerage  | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Storm Water Management  | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Waste Water Treatment   | 25,751  | 25,566  | 31,678  | 33,617  | 32,617  | - | 69,418  | 73,168  | 77,156  |
| Waste management  | 24,371  | 27,645  | 30,301  | 34,050  | 34,050  | - | 29,996  | 31,574  | 33,116  |
| Recycling   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Solid Waste Disposal (Landfill Sites)                         | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Solid Waste Removal   | 24,371  | 27,645  | 30,301  | 34,050  | 34,050  | - | 29,996  | 31,574  | 33,116  |
| Street Cleaning   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Other   | 26      | -       | -       | 68      | 45      | - | 68      | 72      | 76      |
| Alcohol   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Air Transport   | 26      | -       | -       | 68      | 45      | - | 68      | 72      | 76      |
| Forestry  | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Licensing and Regulation                                      | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Markets   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Tourism   | -       | -       | -       | -       | -       | - | -       | -       | -       |
| Total Revenue - Functional                                    | 274,280 | 338,874 | 415,811 | 426,252 | 418,797 | - | 456,154 | 517,777 | 494,281 |



| Expenditure - Functional                                    |        |        |        |         |         |   |         |         |         |
|---|--------|--------|--------|---------|---------|---|---------|---------|---------|
| Municipal governance and administration                     | 86,671 | 77,163 | 76,229 | 140,687 | 106,888 | - | 165,746 | 174,897 | 164,305 |
| Executive and council                                       | 26,477 | 23,224 | 19,352 | 13,722  | 14,148  | - | 14,575  | 14,541  | 15,763  |
| Mayor and Council   | 18,990 | 16,243 | 17,117 | 11,238  | 11,834  | - | 11,573  | 11,548  | 12,047  |
| Municipal Manager, Town Secretary and Chief Executive       | 3,552  | 1,980  | 2,248  | 2,382   | 2,314   | - | 2,822   | 2,854   | 3,115   |
| Finance and admin   | 22,155 | 51,889 | 50,655 | 125,977 | 142,681 | - | 151,571 | 153,722 | 188,542 |
| Administrative and Corporate Support                        | -      | -      | -      | 15,075  | 18,500  | - | 22,289  | 23,461  | 24,751  |
| Asset Management  | -      | -      | -      | 35,559  | 33,804  | - | 48,230  | 50,841  | 51,857  |
| Budget and Treasury Office                                  | 55,889 | 56,212 | 15,888 | 21,471  | 35,405  | - | 33,403  | 35,207  | 37,143  |
| Finance   | -      | -      | -      | 7,991   | 5,051   | - | 4,783   | 7,150   | 7,040   |
| Fleet Management  | -      | -      | -      | 11,123  | 10,732  | - | 12,146  | 12,832  | 13,006  |
| Human Resources   | -      | -      | -      | 6,122   | 6,235   | - | 7,791   | 8,211   | 8,593   |
| Information Technology                                      | -      | -      | -      | 2,732   | 4,214   | - | 4,155   | 4,421   | 4,618   |
| Legal Services  | -      | -      | -      | 4,323   | 3,264   | - | 3,272   | 3,554   | 3,744   |
| Messaging, Customer Relations, Publicity and Media Co-      | -      | -      | -      | 1,108   | 1,048   | - | 1,009   | 1,063   | 1,122   |
| Property Services   | -      | -      | -      | 2,788   | 2,810   | - | 1,383   | 1,457   | 1,527   |
| Risk Management   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Security Services   | -      | -      | -      | 5,287   | 7,247   | - | 7,832   | 6,300   | 6,800   |
| Supply Chain Management/                                    | -      | -      | -      | 4,091   | 3,343   | - | 3,052   | 3,229   | 3,496   |
| Valuation Service   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Internal audit  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Governance Function   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Community and public safety                                 | 35,935 | 71,367 | 26,323 | 30,764  | 17,488  | - | 21,731  | 32,964  | 24,164  |
| Community and social services                               | 17,882 | 17,638 | 17,751 | 9,867   | 8,565   | - | 10,137  | 10,684  | 11,272  |
| Aged Care   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Agricultural  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Animal Care and Diseases                                    | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Cemeteries, Funeral Parlours and Crematoriums               | 1,020  | 1,227  | 886    | 1,720   | 1,631   | - | 1,817   | 1,313   | 2,123   |
| Child Care Facilities                                       | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Community Halls and Facilities                              | 11,975 | 10,022 | 5,652  | 933     | 72      | - | 70      | 74      | 78      |
| Consumer Protection   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Cultural Matters  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Disaster Management   | 423    | 499    | -      | 521     | 745     | - | 725     | 764     | 806     |
| Education   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Ethnographic and Customary Law                              | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Industrial Promotion  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Language Policy   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Literature and Archives                                     | 4,575  | 6,083  | 7,204  | 6,370   | 6,543   | - | 7,576   | 7,532   | 8,368   |
| Literacy Programmes   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Media Services  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Museums and Art Galleries                                   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Population Development                                      | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Provincial Cultural Matters                                 | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Theatre   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Zoo's   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Sports and recreation                                       | 13,216 | 5,452  | 9,785  | 5,726   | 7,951   | - | 8,347   | 8,757   | 9,281   |
| Beaches and Jetties   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Casinos, Racing, Gambling, Wagering                         | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Community Parks (including Nurseries)                       | 5,106  | 6,151  | -      | 5,571   | 4,778   | - | 6,126   | 5,264   | 5,703   |
| Recreational Facilities                                     | 4,207  | 3,321  | 5,705  | 2,550   | 2,383   | - | 2,159   | 2,254   | 2,378   |
| Sports Grounds and Stadia                                   | -      | -      | -      | 222     | 250     | - | 181     | 190     | 222     |
| Public safety   | 3,393  | 4,206  | 1,758  | 2,251   | 1,664   | - | 3,247   | 3,422   | 3,811   |
| Civil Defence   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Cleaning  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Control of Public Nuisances                                 | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Fencing and Fences  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Fire Fighting and Protection                                | 3,206  | 4,270  | 1,786  | 2,251   | 1,794   | - | 3,247   | 3,422   | 3,811   |
| Licensing and Control of Animals                            | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Housing   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Housing   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Informal Settlements  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Health  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Ambulance   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Health Services   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Laboratory Services   | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Face Control  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Health Surveillance and Prevention of Communicable Diseases | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Vector Control  | -      | -      | -      | -       | -       | - | -       | -       | -       |
| Chemical Safety   | -      | -      | -      | -       | -       | - | -       | -       | -       |

|   |          |                |                |                |                |               |                |                |                |
|---|----------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
| Economic and environmental services                           | 71,838   | 45,863         | 96,874         | 35,374         | 35,148         | -             | 40,261         | 42,635         | 44,769         |
| Planning and development                                      | 26,482   | 16,574         | 57,437         | 15,929         | 17,188         | -             | 19,272         | 20,313         | 21,436         |
| B/Wards   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Corporate Wide Strategic Planning (RDPs, LEDIs)               | 2,001    | 2,000          | -              | 3,152          | 2,525          | -             | 3,154          | 3,166          | 3,340          |
| General City Improvement (District Development Facilitation)  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Economic Development/Planning                                 | 15,427   | 8,424          | 10,063         | 6,781          | 6,358          | -             | 7,458          | 7,081          | 8,255          |
| Regional Planning and Development                             | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Town Planning, Building Regulations and Enforcement, and City | 8,049    | 6,146          | 18,372         | 6,458          | 5,457          | -             | 5,811          | 6,125          | 5,492          |
| Project Management Unit                                       | -        | -              | -              | -              | 2,532          | -             | 3,105          | 3,162          | 3,256          |
| Provincial Planning   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Support to Local Municipalities                               | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Road transport  | 44,062   | 33,288         | 38,637         | 20,329         | 17,791         | -             | 26,798         | 21,919         | 23,128         |
| Police Forces, Traffic and Street Parking Control             | 15,196   | -              | -              | 10,952         | 12,432         | -             | 13,473         | 14,200         | 14,861         |
| Ferries   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Public Transport  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Roads   | 27,188   | 33,288         | 33,637         | 6,023          | 5,359          | -             | 7,324          | 7,719          | 8,144          |
| Taxi Parks  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Environmental protection                                      | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Environmental protection                                      | 1,155    | -              | -              | 423            | 167            | -             | 182            | 202            | 213            |
| Biodiversity and Landscape                                    | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Coastal Protection  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Indigenous Forests  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Nature Conservation   | 1,155    | -              | -              | 423            | 167            | -             | 182            | 202            | 213            |
| Pollution Control   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Soil Conservation   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Trading services  | 147,222  | 196,332        | 173,834        | 112,538        | 133,716        | -             | 151,668        | 159,855        | 168,601        |
| Energy services   | 77,438   | 96,132         | 109,756        | 83,882         | 87,225         | -             | 88,421         | 97,412         | 102,776        |
| Electricity   | 77,438   | 96,132         | 109,756        | 83,882         | 87,225         | -             | 88,421         | 97,412         | 102,776        |
| Street Lighting and Signal Systems                            | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Non-electric Energy   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Water management  | 44,188   | 65,195         | 40,815         | 28,619         | 30,545         | -             | 25,449         | 31,838         | 32,746         |
| Water Treatment   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Water Distribution  | 44,188   | 65,195         | 40,815         | 28,619         | 30,545         | -             | 25,449         | 31,838         | 32,746         |
| Water Storage   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Waste water management  | 8,334    | 10,493         | 10,457         | 6,282          | 22,584         | -             | 15,971         | 16,834         | 17,758         |
| Public Toilets  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Sewerage  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Storm Water Management  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Waste Water Treatment   | 8,334    | 10,493         | 10,457         | 6,282          | 22,584         | -             | 15,971         | 16,834         | 17,758         |
| Waste management  | 17,362   | 18,969         | 12,902         | 13,666         | 12,552         | -             | 13,627         | 14,574         | 15,579         |
| Recycling   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Solid Waste Disposal (Landfill Sites)                         | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Solid Waste Removal   | 17,362   | 18,969         | 12,902         | 13,666         | 12,552         | -             | 13,627         | 14,574         | 15,579         |
| Street Cleaning   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Other   | -        | -              | -              | 35             | 35             | -             | 45             | 47             | 50             |
| Analysis  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Air Transport   | -        | -              | -              | 35             | 35             | -             | 45             | 47             | 50             |
| Forestry  | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Licensing and Regulation                                      | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Markets   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| Tourism   | -        | -              | -              | -              | -              | -             | -              | -              | -              |
| <b>Total Expenditure - Functional</b>                         | <b>3</b> | <b>542,238</b> | <b>548,888</b> | <b>378,360</b> | <b>336,499</b> | <b>-</b>      | <b>379,451</b> | <b>399,941</b> | <b>421,838</b> |
| <b>Surplus/Deficit for the year</b>                           |          | <b>32,182</b>  | <b>26,399</b>  | <b>37,551</b>  | <b>55,794</b>  | <b>55,990</b> | <b>-</b>       | <b>76,783</b>  | <b>117,825</b> |

#### Notes

1. Government Finance Statistics Fundamentals and Sub-fundamentals are standardized to assist national and international accounts and comparison.
2. Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure).
3. Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure).
4. All accounts must be classified under a functional classification. The GFS function 'Other' is only for Abbotsford, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by evidence. Nothing else may be placed under 'Other'. Assign appropriate share to relevant classification.

|                    |   |             |             |    |   |   |   |   |    |
|--------------------|---|-------------|-------------|----|---|---|---|---|----|
| check open balance | - | -2          | -15,122,740 | -4 | - | - | - | - | -5 |
| check open balance | - | -15,401,322 | -15,171,111 | -8 | 8 | - | - | 0 | 5  |

NC452 Ga-Segonyana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| KC452 Ga-Segonyana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote) |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|--|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Vote Description   |  | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand   |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Revenue by Vote</b>   |  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Vote 1 - EXECUTIVE & COUNCIL   |  |     | 12,682          | 15,484          | 14,843          | 6,300                | 6,300           | -                  | 6,100   | 6,429                  | 6,763                  |
| Vote 2 - FINANCE AND ADMINISTRATION  |  |     | 42,459          | 43,663          | 53,201          | 52,549               | 53,123          | -                  | 54,453  | 67,944                 | 71,681                 |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES   |  |     | 1,424           | 1,613           | 2,578           | 5,321                | 5,323           | -                  | 10,746  | 11,326                 | 11,949                 |
| Vote 4 - SPORTS & RECREATION   |  |     | 1,929           | 753             | 2,206           | 1,532                | 922             | -                  | 12,032  | 12,862                 | 13,379                 |
| Vote 5 - PUBLIC SAFETY   |  |     | 3               | 7,429           | 15,175          | 70                   | 60              | -                  | 500   | 527                    | 556                    |
| Vote 6 - PLANNING AND DEVELOPMENT  |  |     | 12,746          | 21,078          | 18,019          | 18,446               | 13,035          | -                  | 11,065  | 11,663                 | 12,304                 |
| Vote 7 - ROAD TRANSPORT  |  |     | 44,684          | 17,122          | 29,644          | 48,796               | 42,906          | -                  | 40,400  | 42,582                 | 44,924                 |
| Vote 8 - ENVIRONMENTAL PROTECTION  |  |     | 256             | -               | -               | 60                   | 67              | -                  | 307   | 323                    | 341                    |
| Vote 9 - ENERGY SOURCES  |  |     | 100,514         | 104,702         | 123,190         | 140,819              | 136,419         | -                  | 144,837   | 152,658                | 161,054                |
| Vote 10 - WATER MANAGEMENT   |  |     | 107,835         | 113,008         | 110,399         | 89,840               | 89,840          | -                  | 66,262  | 106,830                | 60,733                 |
| Vote 11 - WASTE WATER MANAGEMENT   |  |     | 26,751          | 35,566          | 31,678          | 30,617               | 35,617          | -                  | 69,416  | 73,166                 | 77,190                 |
| Vote 12 - WASTE MANAGEMENT   |  |     | 24,031          | 27,645          | 30,301          | 34,050               | 34,050          | -                  | 29,956  | 31,574                 | 33,310                 |
| Vote 13 - OTHER  |  |     | 26              | -               | -               | 60                   | 46              | -                  | 68  | 72                     | 76                     |
| Vote 14 - [NAME OF VOTE 14]  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Revenue by Vote</b>   |  | 2   | 374,340         | 388,074         | 431,034         | 426,262              | 418,707         | -                  | 456,154   | 517,777                | 494,281                |
| <b>Expenditure by Vote to be appropriated</b>  |  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Vote 1 - EXECUTIVE & COUNCIL   |  |     | 23,972          | 23,224          | 19,362          | 13,720               | 14,148          | -                  | 14,176  | 14,541                 | 15,763                 |
| Vote 2 - FINANCE AND ADMINISTRATION  |  |     | 65,699          | 58,959          | 59,868          | 126,577              | 142,661         | -                  | 151,571   | 159,755                | 168,542                |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES   |  |     | 17,083          | 17,636          | 17,751          | 9,807                | 8,985           | -                  | 10,137  | 10,684                 | 11,272                 |
| Vote 4 - SPORTS & RECREATION   |  |     | 13,316          | 5,482           | 9,705           | 8,726                | 7,361           | -                  | 8,347   | 8,797                  | 9,281                  |
| Vote 5 - PUBLIC SAFETY   |  |     | 3,206           | 20,608          | 16,939          | 2,251                | 1,054           | -                  | 3,247   | 3,422                  | 3,611                  |
| Vote 6 - PLANNING AND DEVELOPMENT  |  |     | 26,462          | 16,574          | 57,437          | 15,929               | 17,180          | -                  | 18,272  | 20,313                 | 21,430                 |
| Vote 7 - ROAD TRANSPORT  |  |     | 44,062          | 33,288          | 38,637          | 20,020               | 17,791          | -                  | 20,796  | 21,519                 | 23,125                 |
| Vote 8 - ENVIRONMENTAL PROTECTION  |  |     | 1,095           | -               | -               | 425                  | 167             | -                  | 192   | 202                    | 213                    |
| Vote 9 - ENERGY SOURCES  |  |     | 77,439          | 96,132          | 109,756         | 83,882               | 67,225          | -                  | 82,421  | 97,412                 | 102,770                |
| Vote 10 - WATER MANAGEMENT   |  |     | 44,186          | 65,195          | 40,019          | 28,619               | 30,545          | -                  | 29,449  | 31,039                 | 32,746                 |
| Vote 11 - WASTE WATER MANAGEMENT   |  |     | 6,334           | 10,495          | 10,467          | 6,282                | 22,594          | -                  | 15,571  | 16,834                 | 17,759                 |
| Vote 12 - WASTE MANAGEMENT   |  |     | 17,362          | 18,509          | 13,602          | 13,806               | 12,952          | -                  | 13,627  | 14,574                 | 15,376                 |
| Vote 13 - OTHER  |  |     | -               | -               | -               | 55                   | 35              | -                  | 45  | 47                     | 50                     |
| Vote 14 - [NAME OF VOTE 14]  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Expenditure by Vote</b>   |  | 2   | 342,238         | 365,086         | 393,532         | 330,499              | 363,117         | -                  | 379,451   | 399,941                | 421,938                |
| <b>Surplus/(Deficit) for the year</b>  |  | 2   | 32,102          | 22,987          | 37,502          | 95,764               | 55,590          | -                  | 76,703  | 117,835                | 72,343                 |

**References**

1. Insert 'Vote': e.g. department, if different to functional classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote



| Vote Description                        | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Vote 10 - WATER MANAGEMENT</b>       |     | 107,835         | 112,000         | 110,389         | 89,840               | 89,840          | -                  | 66,252  | 100,838                | 66,733                 |
| 10.1 - Water Distribution               |     | 107,835         | 112,000         | 110,389         | 89,840               | 89,840          | -                  | 66,252  | 100,838                | 66,733                 |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Vote 11 - WASTE WATER MANAGEMENT</b> |     | 25,791          | 35,586          | 21,676          | 33,617               | 36,617          | -                  | 66,418  | 72,186                 | 77,196                 |
| 11.1 - Sewerage                         |     | 25,791          | 35,586          | 21,676          | 33,617               | 36,617          | -                  | 66,418  | 72,186                 | 77,196                 |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Vote 12 - WASTE MANAGEMENT</b>       |     | 34,021          | 27,641          | 30,281          | 34,155               | 34,660          | -                  | 25,856  | 31,574                 | 33,318                 |
| 12.1 - Solid Waste Removal              |     | 34,021          | 27,641          | 30,281          | 34,155               | 34,660          | -                  | 25,856  | 31,574                 | 33,318                 |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Vote 13 - OTHER</b>                  |     | 25              | -               | -               | 60                   | 45              | -                  | 68  | 72                     | 76                     |
| 13.1 - Air Transport                    |     | 25              | -               | -               | 60                   | 45              | -                  | 68  | 72                     | 76                     |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Vote 14 - (NAME OF VOTE 14)</b>      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| 14.1 - (Name of sub-vote)               |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Vote 15 - (NAME OF VOTE 15)</b>      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| 15.1 - (Name of sub-vote)               |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Revenue by Vote</b>            | 2   | 574,940         | 588,674         | 421,034         | 426,762              | 418,767         | -                  | 456,154   | 517,777                | 494,111                |

NC452 Ge-Segonyana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

NC452 GA-SE-July-2014 - Table A3: Budgeted Financial Performance (Revenue and Expenses) by Municipal Sector

1. Input/View e.g. Department, Effort/Unit to Functional structure
2. Must reconcile to Financial Performance (Revenue and Expenditure by Functional Classification) and Revenue and Expenditure
3. Again state in 'response' to original View

2. Most acceptable to Financial Performance: *Revenue and Expenditure by Functional Classification* and *Revenue and Expenditure*

2. Application rates in kg phosphate<sup>5</sup>/ha based on 1/1000

2. ASSESSMENT OF THE EFFECTS OF THE 2000-2001 WINTER



NC452 Ga-Segonyana - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description  |      | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand   |      | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| Revenue By Source  |      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 2    |     | 30,538          | 31,172          | 36,250          | 39,075               | 39,075          | -                  | -                 | 42,694  | 44,894                 | 47,363                 |
| Service charges - electricity revenue  | 2    |     | 66,966          | 61,064          | 82,232          | 90,281               | 86,104          | -                  | -                 | 94,819  | 99,939                 | 105,436                |
| Service charges - water revenue  | 2    |     | 16,864          | 16,641          | 17,473          | 18,602               | 18,740          | -                  | -                 | 19,944  | 21,021                 | 22,177                 |
| Service charges - sanitation revenue   | 2    |     | 10,428          | 13,746          | 15,134          | 12,322               | 12,386          | -                  | -                 | 8,579   | 9,042                  | 9,539                  |
| Service charges - refuse revenue   | 2    |     | 6,993           | 7,394           | 7,921           | 9,050                | 9,050           | -                  | -                 | 9,956   | 10,494                 | 11,071                 |
| Service charges - other  |      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Rental of facilities and equipment   |      |     | 2,362           | 734             | 1,925           | 2,205                | 1,120           | -                  | -                 | 765   | 807                    | 851                    |
| Interest earned - external investments   |      |     | 1,693           | 1,033           | 175             | 1,100                | 1,900           | -                  | -                 | 2,992   | 3,153                  | 3,327                  |
| Interest earned - outstanding debtors  |      |     | 4,073           | 5,016           | 5,902           | 6,200                | 6,200           | -                  | -                 | 8,800   | 9,276                  | 9,786                  |
| Dividends received   |      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Fines, penalties and forfeits  |      |     | 13,999          | 2,158           | 9,740           | 1,285                | 1,252           | -                  | -                 | 1,009   | 1,063                  | 1,122                  |
| Licences and permits   |      |     | 4,585           | 4,511           | 5,051           | 4,261                | 4,554           | -                  | -                 | 5,728   | 5,037                  | 6,369                  |
| Agency services  |      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Transfers and subsidies  |      |     | 100,561         | 130,032         | 123,106         | 134,546              | 161,277         | -                  | -                 | 161,757   | 170,330                | 179,533                |
| Other revenue  | 2    |     | 31,154          | 25,131          | 23,031          | 13,125               | 9,529           | -                  | -                 | 4,779   | 5,037                  | 5,314                  |
| Gains on disposal of PPE   |      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Revenue (excluding capital transfers and contributions)  |      |     | 289,268         | 297,642         | 327,911         | 332,051              | 341,227         | -                  | -                 | 361,722   | 381,093                | 401,888                |
| Expenditure By Type  |      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee related costs   | 2    |     | 90,554          | 98,142          | 103,870         | 111,675              | 105,621         | -                  | -                 | 126,395   | 133,220                | 140,547                |
| Remuneration of councillors  |      |     | 7,032           | 7,538           | 7,815           | 8,458                | 9,187           | -                  | -                 | 9,524   | 10,039                 | 10,591                 |
| Debt impairment  | 3    |     | 50              | 1,429           | 16,542          | 537                  | 598             | -                  | -                 | 535   | 564                    | 595                    |
| Depreciation & asset impairment  | 2    |     | 45,504          | 48,479          | 51,788          | 35,201               | 36,201          | -                  | -                 | 43,675  | 46,244                 | 48,788                 |
| Finance charges  |      |     | 5,319           | 5,481           | 2,763           | 2,813                | 6,508           | -                  | -                 | 5,414   | 5,706                  | 6,020                  |
| Bulk purchases   | 2    |     | 59,422          | 85,517          | 96,152          | 74,787               | 101,360         | -                  | -                 | 105,261   | 110,545                | 117,047                |
| Other materials  | 8    |     | 6               | 30,610          | 18,697          | 7,238                | 11,680          | -                  | -                 | 8,757   | 9,230                  | 9,737                  |
| Contracted services  |      |     | 8,454           | 8,898           | 8,422           | 37,440               | 52,037          | -                  | -                 | 42,252  | 44,533                 | 45,953                 |
| Transfers and subsidies  |      |     | -               | -               | -               | -                    | 70              | -                  | -                 | 50  | 53                     | 56                     |
| Other expenditure  | 4, 5 |     | 125,829         | 75,777          | 86,561          | 51,348               | 35,454          | -                  | -                 | 37,389  | 39,407                 | 41,575                 |
| Loss on disposal of PPE  |      |     | -               | 16              | 521             | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Expenditure  |      |     | 342,238         | 365,086         | 393,532         | 330,499              | 363,117         | -                  | -                 | 379,451   | 399,941                | 421,938                |
| Surplus/(Deficit)  |      |     | (52,970)        | (67,444)        | (65,620)        | 1,553                | (21,890)        | -                  | -                 | (17,729)  | (18,848)               | (20,050)               |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)  |      |     | 85,072          | 90,431          | 103,122         | 94,211               | 77,480          | -                  | -                 | 94,432  | 136,664                | 92,393                 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 6    |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Transfers and subsidies - capital (in-kind - all)  |      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Surplus/(Deficit) after capital transfers & contributions  |      |     | 32,102          | 22,967          | 37,502          | 95,764               | 55,590          | -                  | -                 | 76,703  | 117,835                | 72,343                 |
| Taxation   |      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Surplus/(Deficit) after taxation   |      |     | 32,102          | 22,967          | 37,502          | 95,764               | 55,590          | -                  | -                 | 76,703  | 117,835                | 72,343                 |
| Attributable to minorities   |      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Surplus/(Deficit) attributable to municipality   |      |     | 32,102          | 22,967          | 37,502          | 95,764               | 55,590          | -                  | -                 | 76,703  | 117,835                | 72,343                 |
| Share of surplus/(deficit) of associate  | 7    |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Surplus/(Deficit) for the year   |      |     | 32,102          | 22,967          | 37,502          | 95,764               | 55,590          | -                  | -                 | 76,703  | 117,835                | 72,343                 |

**References**

1. Classifications are revenue sources and expenditure type

2. Detail to be provided in Table SA1

3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment

4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/program; e.g. employee costs

5. Repairs &amp; maintenance detailed in Table A6 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method / Includes Joint Ventures

NC452 Ga-Segonyana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

| Vote Description                                  | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2016/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand  | 1   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital expenditure - Vote</b>                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>  | 2   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - EXECUTIVE & COUNCIL                      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 2 - FINANCE AND ADMINISTRATION               |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES            |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 4 - SPORTS & RECREATION                      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 5 - PUBLIC SAFETY                            |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 6 - PLANNING AND DEVELOPMENT                 |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 7 - ROAD TRANSPORT                           |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 8 - ENVIRONMENTAL PROTECTION                 |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 9 - ENERGY SOURCES                           |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 10 - WATER MANAGEMENT                        |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 11 - WASTE WATER MANAGEMENT                  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 12 - WASTE MANAGEMENT                        |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 13 - OTHER                                   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 14 - (NAME OF VOTE 14)                       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 15 - (NAME OF VOTE 15)                       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Capital multi-year expenditure sub-total</b>   | 7   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Single-year expenditure to be appropriated</b> | 2   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - EXECUTIVE & COUNCIL                      |     | 863             | 340             | 25              | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 2 - FINANCE AND ADMINISTRATION               |     | 4,989           | 610             | 686             | 435                  | 400             | -                  | -                 | 2,620   | -                      | -                      |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES            |     | -               | 380             | -               | 3,010                | 3,010           | -                  | -                 | 7,591   | 398                    | -                      |
| Vote 4 - SPORTS & RECREATION                      |     | -               | -               | -               | 240                  | 100             | -                  | -                 | 11,840  | -                      | -                      |
| Vote 5 - PUBLIC SAFETY                            |     | -               | -               | -               | -                    | -               | -                  | -                 | 285   | 24,823                 | 24,003                 |
| Vote 6 - PLANNING AND DEVELOPMENT                 |     | 11,308          | 2,050           | 1,689           | 2,500                | 11,800          | -                  | -                 | 1,438   | -                      | -                      |
| Vote 7 - ROAD TRANSPORT                           |     | 19,302          | 35,780          | 30,951          | 40,160               | 34,160          | -                  | -                 | 30,327  | 16,462                 | 28,716                 |
| Vote 8 - ENVIRONMENTAL PROTECTION                 |     | -               | -               | -               | -                    | -               | -                  | -                 | 75  | -                      | -                      |
| Vote 9 - ENERGY SOURCES                           |     | -               | 1,500           | 1,181           | 5,370                | 5,200           | -                  | -                 | 1,000   | -                      | -                      |
| Vote 10 - WATER MANAGEMENT                        |     | 59,331          | 66,662          | 67,995          | 35,310               | 36,210          | -                  | -                 | 11,317  | 83,634                 | 33,175                 |
| Vote 11 - WASTE WATER MANAGEMENT                  |     | 8,064           | 11,032          | -               | 5,231                | -               | -                  | -                 | 33,683  | 11,196                 | 6,500                  |
| Vote 12 - WASTE MANAGEMENT                        |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 13 - OTHER                                   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 14 - (NAME OF VOTE 14)                       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 15 - (NAME OF VOTE 15)                       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>  |     | 103,857         | 118,364         | 102,527         | 95,256               | 90,980          | -                  | -                 | 100,176   | 136,684                | 92,393                 |
| <b>Total Capital Expenditure - Vote</b>           |     | 103,857         | 118,364         | 102,527         | 95,256               | 90,980          | -                  | -                 | 100,176   | 136,684                | 92,393                 |
| <b>Capital Expenditure - Functional</b>           |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Governance and administration</b>              |     | 5,852           | 950             | 711             | 435                  | 400             | -                  | -                 | 2,620   | -                      | -                      |
| Executive and council                             |     | 863             | 340             | 25              | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Finance and administration                        |     | 4,989           | 610             | 686             | 435                  | 400             | -                  | -                 | 2,620   | -                      | -                      |
| Internal audit                                    |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Community and public safety</b>                |     | -               | 380             | -               | 3,250                | 3,110           | -                  | -                 | 19,716  | 25,221                 | 24,003                 |
| Community and social services                     |     | -               | 380             | -               | 3,010                | 3,010           | -                  | -                 | 7,591   | 398                    | -                      |
| Sport and recreation                              |     | -               | -               | -               | 240                  | 100             | -                  | -                 | 11,840  | -                      | -                      |
| Public safety                                     |     | -               | -               | -               | -                    | -               | -                  | -                 | 285   | 24,823                 | 24,003                 |
| Housing   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Health  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Economic and environmental services</b>        |     | 30,610          | 37,630          | 32,641          | 42,660               | 46,060          | -                  | -                 | 31,840  | 16,462                 | 28,716                 |
| Planning and development                          |     | 11,308          | 2,050           | 1,689           | 2,500                | 11,800          | -                  | -                 | 1,438   | -                      | -                      |
| Road transport                                    |     | 19,302          | 35,780          | 30,951          | 40,160               | 34,160          | -                  | -                 | 30,327  | 16,462                 | 28,716                 |
| Environmental protection                          |     | -               | -               | -               | -                    | -               | -                  | -                 | 75  | -                      | -                      |
| <b>Trading services</b>                           |     | 67,395          | 79,224          | 69,176          | 48,911               | 41,410          | -                  | -                 | 46,000  | 95,000                 | 39,675                 |
| Energy sources                                    |     | -               | 1,500           | 1,181           | 5,370                | 5,200           | -                  | -                 | 1,000   | -                      | -                      |
| Water management                                  |     | 59,331          | 66,662          | 67,995          | 35,310               | 36,210          | -                  | -                 | 11,317  | 83,634                 | 33,175                 |
| Waste water management                            |     | 8,064           | 11,032          | -               | 5,231                | -               | -                  | -                 | 33,683  | 11,196                 | 6,500                  |
| Waste management                                  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Capital Expenditure - Functional</b>     | 3   | 103,857         | 118,364         | 102,527         | 95,256               | 90,980          | -                  | -                 | 100,176   | 136,684                | 92,393                 |
| <b>Funded by:</b>                                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National Government                               |     | 113,332         | 103,142         | 94,233          | 94,211               | 77,480          | -                  | -                 | 94,432  | 136,684                | 92,393                 |
| Provincial Government                             |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| District Municipality                             |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other transfers and grants                        |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Transfers recognised - capital</b>             | 4   | 113,332         | 103,142         | 94,233          | 94,211               | 77,480          | -                  | -                 | 94,432  | 136,684                | 92,393                 |
| Public contributions & donations                  | 5   | -               | 13,852          | 7,397           | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Borrowing   | 6   | 2,316           | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Internally generated funds                        |     | 5,458           | 1,390           | 896             | 1,045                | 13,500          | -                  | -                 | 6,746   | -                      | -                      |
| <b>Total Capital Funding</b>                      | 7   | 121,115         | 118,384         | 102,527         | 95,256               | 90,980          | -                  | -                 | 100,176   | 136,684                | 92,393                 |

## References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year.
- Capital expenditure by functional classification must reconcile to the appropriations by vote.
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure).
- Must reconcile to Budgeted Financial Performance (revenue and expenditure).
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17.
- Total Capital Funding must balance with Total Capital Expenditure.
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget.

NC452 Ga-Segonyana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

[illegible]

[illegible]

|  |   |        |        |        |        |        |   |   |        |        |        |   |
|--|---|--------|--------|--------|--------|--------|---|---|--------|--------|--------|---|
| Capital expenditure - Municipal Vote                                   |   |        |        |        |        |        |   |   |        |        |        |   |
| Single-year expenditure appropriation                                  | 2 |        |        |        |        |        |   |   |        |        |        |   |
| Vote 1 - EXECUTIVE & COUNCIL   |   | 863    | 340    | 25     | -      | -      | - | - | -      | -      | -      | - |
| 1.1 - Mayor and Council  |   |        | 340    | 25     |        |        |   |   |        |        |        |   |
| 1.2 - Municipal Manager, Town Secretary and Chief Executive Officer    |   | 852    |        |        |        |        |   |   |        |        |        |   |
| Vote 2 - FINANCE AND ADMINISTRATION                                    |   | 4,959  | 610    | 686    | 435    | 400    | - | - | 2,520  | -      | -      | - |
| 2.1 - Administrative and Corporate Support                             |   | 4,938  | 324    | 231    | 93     | -      |   |   | 377    |        |        |   |
| 2.2 - Asset Management   |   |        |        |        | 300    | 300    |   |   |        |        |        |   |
| 2.3 - Budget and Treasury Office                                       |   |        | 155    | 55     |        | -      |   |   | 19     |        |        |   |
| 2.4 - Finance  |   |        |        |        |        | -      |   |   | 682    |        |        |   |
| 2.5 - Fleet Management   |   |        |        |        |        | -      |   |   |        |        |        |   |
| 2.6 - Human Resources  |   |        |        |        | 45     | -      |   |   | 32     |        |        |   |
| 2.7 - Information Technology   |   | 63     | 131    | 400    |        | 100    |   |   | 1,011  |        |        |   |
| 2.8 - Legal Services   |   |        |        |        |        |        |   |   |        |        |        |   |
| 2.9 - Marketing, Customer Relations, Publicity and Media Co-ordination |   |        |        |        |        |        |   |   |        |        |        |   |
| 2.10 - Property Services   |   |        |        |        |        |        |   |   |        |        |        |   |
| 2.11 - Security Services   |   |        |        |        |        |        |   |   | 500    |        |        |   |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES                                 |   | -      | 380    | -      | 3,010  | 3,010  | - | - | 7,591  | 398    | -      | - |
| 3.1 - Cemeteries, Funeral Parlours and Crematoriums                    |   |        |        |        |        |        |   |   |        |        |        |   |
| 3.2 - Community Halls and Facilities                                   |   |        | 380    |        | 3,010  | 3,010  |   |   | 7,599  | 398    |        |   |
| 3.3 - Disaster Management  |   |        |        |        |        |        |   |   | 32     |        |        |   |
| 3.4 - Libraries and Archives   |   |        |        |        |        |        |   |   |        |        |        |   |
| Vote 4 - SPORTS & RECREATION   |   | -      | -      | -      | 240    | 100    | - | - | 11,840 | -      | -      | - |
| 4.1 - Community Parks (including Nurseries)                            |   |        |        |        | 240    | 100    |   |   | 1,000  |        |        |   |
| 4.2 - Recreational Facilities  |   |        |        |        |        |        |   |   | 285    |        |        |   |
| 4.3 - Sports Grounds and Stadiums                                      |   |        |        |        |        |        |   |   | 10,545 |        |        |   |
| Vote 5 - PUBLIC SAFETY   |   | -      | -      | -      | -      | -      | - | - | 265    | 24,823 | 24,023 |   |
| 5.1 - Fire Fighting and Protection                                     |   |        |        |        |        |        |   |   | 265    | 24,823 | 24,023 |   |
| Vote 6 - PLANNING AND DEVELOPMENT                                      |   | 11,806 | 2,050  | 1,688  | 2,500  | 11,800 | - | - | 1,438  | -      | -      | - |
| 6.1 - Corporate Wide Strategic Planning (IDPs, LEDS)                   |   |        |        |        |        |        |   |   |        |        |        |   |
| 6.2 - Economic Development/Planning                                    |   | 7,535  | 2,050  | 1,504  |        |        |   |   | 1,438  |        |        |   |
| 6.3 - Town Planning, Building Regulations and Enforcement              |   | 3,670  |        | 185    |        |        |   |   |        |        |        |   |
| 6.4 - Project Management Unit  |   |        |        |        | 2,500  | 11,800 |   |   |        |        |        |   |
| Vote 7 - ROAD TRANSPORT  |   | 19,302 | 35,780 | 30,951 | 40,160 | 34,160 | - | - | 30,327 | 16,462 | 28,716 |   |
| 7.1 - Police Forces, Traffic and Street Parking Control                |   |        |        |        |        |        |   |   |        |        |        |   |
| 7.2 - Roads  |   | 19,302 | 35,780 | 30,951 | 40,160 | 34,160 |   |   | 30,327 | 16,462 | 28,716 |   |
| Vote 8 - ENVIRONMENTAL PROTECTION                                      |   | -      | -      | -      | -      | -      | - | - | 75     | -      | -      | - |
| 8.1 - Nature Conservation  |   |        |        |        |        |        |   |   | 75     |        |        |   |

|  |                  |                  |                  |                  |                  |   |   |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|---|---|------------------|------------------|------------------|
| Vote 9 - ENERGY SOURCES<br>9.1 - Electricity             | -                | 1,500<br>1,500   | 1,161<br>1,161   | 5,370<br>5,370   | 5,200<br>5,200   | - | - | 1,000<br>1,000   | -                | -                |
| Vote 10 - WATER MANAGEMENT<br>10.1 - Water Distribution  | 59,331<br>59,331 | 66,682<br>66,682 | 67,495<br>67,495 | 35,310<br>35,310 | 36,210<br>36,210 | - | - | 11,317<br>11,317 | 63,834<br>63,834 | 33,175<br>33,175 |
| Vote 11 - WASTE WATER MANAGEMENT<br>11.1 - Sewerage      | 8,054<br>8,054   | 11,032<br>11,032 | -                | 5,231<br>5,231   | -                | - | - | 33,683<br>33,683 | 11,156<br>11,156 | 6,500<br>6,500   |
| Vote 12 - WASTE MANAGEMENT<br>12.1 - Solid Waste Removal | -                | -                | -                | -                | -                | - | - | -                | -                | -                |
| Vote 13 - OTHER<br>13.1 - Air Transport                  | -                | -                | -                | -                | -                | - | - | -                | -                | -                |
| Vote 14 - [NAME OF VOTE 14]<br>14.1 - [Name of sub-vote] | -                | -                | -                | -                | -                | - | - | -                | -                | -                |
| Vote 15 - [NAME OF VOTE 15]<br>15.1 - [Name of sub-vote] | -                | -                | -                | -                | -                | - | - | -                | -                | -                |
| Capital single-year expenditure sub-total                | 103,857          | 116,364          | 102,527          | 85,250           | 90,960           | - | - | 100,178          | 136,684          | 82,393           |
| Total Capital Expenditure                                | 103,857          | 116,364          | 102,527          | 85,250           | 90,960           | - | - | 100,178          | 136,684          | 82,393           |

NC452 Ga-Segonyana - Table A6 Budgeted Financial Position

| Description                              | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand                               |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| ASSETS                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current assets                           |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash                                     |     | 812             | 343             | 590             | -                    | 2,506           | -                  | -                 | 1,606   | 1,759                  | 1,754                  |
| Call investment deposits                 | 1   | -               | 150             | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Consumer debtors                         | 1   | 21,778          | 23,754          | 33,005          | 40,518               | 29,104          | -                  | -                 | 29,106  | 30,578                 | 32,365                 |
| Other debtors                            |     | 18,523          | 19,519          | 34,253          | 29,459               | 42,325          | -                  | -                 | 42,325  | 44,511                 | 47,064                 |
| Current portion of long-term receivables |     | 4,114           | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Inventory                                | 2   | 22,932          | 45,230          | 53,048          | 18,040               | 33,048          | -                  | -                 | 33,046  | 34,833                 | 36,749                 |
| Total current assets                     |     | 68,129          | 95,176          | 121,296         | 88,417               | 107,084         | -                  | -                 | 106,088   | 111,681                | 117,532                |
| Non current assets                       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Long-term receivables                    |     | 390             | -               | -               | 49                   | -               | -                  | -                 | -   | -                      | -                      |
| Investments                              |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Investment property                      |     | 6,951           | 6,951           | 6,951           | 6,951                | 6,951           | -                  | -                 | 6,951   | 6,951                  | 6,951                  |
| Investment in Associate                  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Property, plant and equipment            | 3   | 981,183         | 1,149,212       | 1,179,367       | 1,141,206            | 1,270,347       | -                  | -                 | 1,279,413   | 1,416,057              | 1,508,430              |
| Agricultural                             |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Biological                               |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Intangible                               |     | 572             | 584             | 573             | 539                  | 573             | -                  | -                 | 703   | 703                    | 703                    |
| Other non-current assets                 |     | 1,650           | 1,655           | 1,656           | 1,650                | 1,655           | -                  | -                 | 1,656   | 1,656                  | 1,656                  |
| Total non current assets                 |     | 990,756         | 1,158,413       | 1,188,557       | 1,150,405            | 1,279,537       | -                  | -                 | 1,288,733   | 1,425,417              | 1,517,810              |
| TOTAL ASSETS                             |     | 1,058,884       | 1,254,589       | 1,309,853       | 1,238,822            | 1,386,621       | -                  | -                 | 1,394,821   | 1,537,298              | 1,635,742              |
| LIABILITIES                              |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current liabilities                      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Bank overdraft                           | 1   | 181             | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Borrowing                                | 4   | 2,916           | 5,948           | 8,254           | 5,948                | 5,948           | -                  | -                 | 5,948   | 5,948                  | 5,948                  |
| Consumer deposits                        |     | 3,076           | 3,628           | 4,202           | 3,781                | 3,781           | -                  | -                 | 3,781   | 3,965                  | 4,204                  |
| Trade and other payables                 | 4   | 54,235          | 115,957         | 143,188         | 18,157               | 83,157          | -                  | -                 | 54,657  | 45,857                 | 45,857                 |
| Provisions                               |     | 780             | 1,155           | 1,400           | 1,155                | 1,155           | -                  | -                 | 2,597   | 3,159                  | 3,332                  |
| Total current liabilities                |     | 61,188          | 126,667         | 157,034         | 29,041               | 94,041          | -                  | -                 | 67,382  | 58,589                 | 59,382                 |
| Non current liabilities                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing                                |     | 22,461          | 21,115          | 17,487          | 20,453               | 20,453          | -                  | -                 | 15,806  | -                      | -                      |
| Provisions                               |     | 33,567          | 32,639          | 26,295          | 530                  | 35,262          | -                  | -                 | 35,262  | 9,225                  | 9,732                  |
| Total non current liabilities            |     | 56,018          | 53,753          | 43,781          | 20,983               | 55,735          | -                  | -                 | 51,068  | 9,225                  | 9,732                  |
| TOTAL LIABILITIES                        |     | 117,206         | 180,420         | 200,815         | 50,024               | 149,775         | -                  | -                 | 118,450   | 67,814                 | 69,114                 |
| NET ASSETS                               | 5   | 941,678         | 1,073,748       | 1,107,038       | 1,188,799            | 1,236,845       | -                  | -                 | 1,275,288   | 1,469,084              | 1,566,628              |
| COMMUNITY WEALTH/EQUITY                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Accumulated Surplus/(Deficit)            |     | 920,841         | 1,058,563       | 1,082,202       | 1,188,799            | 1,236,845       | -                  | -                 | 1,275,286   | 1,469,064              | 1,566,626              |
| Reserves                                 | 4   | 20,837          | 15,185          | 14,835          | -                    | -               | -                  | -                 | -   | -                      | -                      |
| TOTAL COMMUNITY WEALTH/EQUITY            | 5   | 941,678         | 1,073,748       | 1,107,038       | 1,188,799            | 1,236,845       | -                  | -                 | 1,275,288   | 1,469,084              | 1,566,628              |

## References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity



NC452 Ga-Segonyana - Table A7 Budgeted Cash Flows

| Description                                       | Ref | 2014/15          | 2015/16          | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|------------------|------------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |     | Audited Outcome  | Audited Outcome  | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand  |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Receipts  |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates                                    |     | 17,045           | 32,877           | 30,334          | 31,280               | 33,213          | -                  | -                 | 35,205  | 38,180                 | 40,255                 |
| Service charges                                   |     | 64,048           | 97,845           | 109,633         | 104,204              | 117,957         | -                  | -                 | 112,303   | 119,422                | 125,990                |
| Other revenue                                     |     | 60,735           | 62,551           | 29,856          | 20,876               | 16,495          | -                  | -                 | 12,281  | 12,944                 | 13,656                 |
| Government - operating                            | 1   | 102,916          | 137,368          | 114,322         | 134,646              | 142,724         | -                  | -                 | 161,757   | 170,330                | 179,533                |
| Government - capital                              | 1   | 91,055           | 103,142          | 121,488         | 94,211               | 77,480          | -                  | -                 | 94,432  | 135,684                | 92,393                 |
| Interest  |     | 1,693            | 6,050            | 6,078           | 7,300                | 8,100           | -                  | -                 | 11,792  | 12,429                 | 13,112                 |
| Dividends   |     | -                | -                | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Payments  |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Suppliers and employees                           |     | (237,602)        | (319,540)        | (307,780)       | (290,847)            | (315,739)       | -                  | -                 | (325,577)   | (347,374)              | (366,480)              |
| Finance charges                                   |     | (5,319)          | (5,481)          | (2,763)         | (2,813)              | (6,505)         | -                  | -                 | (5,414)   | (5,705)                | (6,020)                |
| Transfers and Grants                              | 1   | -                | -                | -               | -                    | (70)            | -                  | -                 | (50)  | (53)                   | (58)                   |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  |     | <b>94,512</b>    | <b>114,834</b>   | <b>101,164</b>  | <b>98,636</b>        | <b>69,653</b>   | <b>-</b>           | <b>-</b>          | <b>94,729</b>                                       | <b>136,835</b>         | <b>92,387</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Receipts  |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Proceeds on disposal of PPE                       |     | 13               | 1,377            | 3,133           | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Decrease (increase) in non-current debtors        |     | -                | 393              | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Decrease (increase) other non-current receivables |     | -                | -                | -               | -                    | 25,641          | -                  | -                 | 5,000   | -                      | -                      |
| Decrease (increase) in non-current investments    |     | (390)            | -                | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Payments  |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Capital assets                                    |     | (103,857)        | (118,384)        | (102,527)       | (56,255)             | (90,980)        | -                  | -                 | (100,176)   | (136,684)              | (92,353)               |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  |     | <b>(104,234)</b> | <b>(116,617)</b> | <b>(99,394)</b> | <b>(55,255)</b>      | <b>(61,339)</b> | <b>-</b>           | <b>-</b>          | <b>(91,176)</b>                                     | <b>(136,684)</b>       | <b>(92,353)</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Receipts  |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans                                  |     | -                | -                | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Borrowing long term/refinancing                   |     | -                | 1,838            | 1,216           | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Increase (decrease) in consumer deposits          |     | -                | -                | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Payments  |     |                  |                  |                 |                      |                 |                    |                   |   |                        |                        |
| Repayment of borrowing                            |     | (2,191)          | (154)            | (2,528)         | (4,790)              | (6,697)         | -                  | -                 | (4,550)   | -                      | -                      |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>  |     | <b>(2,191)</b>   | <b>1,685</b>     | <b>(1,312)</b>  | <b>(4,790)</b>       | <b>(6,697)</b>  | <b>-</b>           | <b>-</b>          | <b>(4,550)</b>                                      | <b>-</b>               | <b>-</b>               |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      |     | <b>(11,913)</b>  | <b>(99)</b>      | <b>458</b>      | <b>(1,410)</b>       | <b>1,616</b>    | <b>-</b>           | <b>-</b>          | <b>(998)</b>  | <b>151</b>             | <b>(6)</b>             |
| Cash/cash equivalents at the year begin:          | 2   | <b>12,544</b>    | <b>631</b>       | <b>532</b>      | <b>1,596</b>         | <b>990</b>      | <b>-</b>           | <b>-</b>          | <b>2,606</b>  | <b>1,608</b>           | <b>1,759</b>           |
| Cash/cash equivalents at the year end:            | 2   | <b>631</b>       | <b>532</b>       | <b>990</b>      | <b>176</b>           | <b>2,606</b>    | <b>-</b>           | <b>-</b>          | <b>1,608</b>  | <b>1,759</b>           | <b>1,754</b>           |

## References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less
3. The MTREF is populated directly from SA30.

13. The *MTREF* is populated directly from *S430*.

|                                     |           |           |           |           |           |   |   |           |           |           |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|---|---|-----------|-----------|-----------|
| Total receipts                      | 337,506   | 441,721   | 414,840   | 362,395   | 425,511   | - | - | 438,770   | 489,958   | 464,943   |
| Total payments                      | (348,838) | (443,504) | (413,071) | (389,018) | (417,297) | - | - | (435,217) | (489,817) | (494,549) |
|                                     | (11,332)  | (1,783)   | 1,769     | 3,380     | 8,214     | - | - | 3,553     | 151       | (9)       |
| Borrowings & investments & deposits | (390)     | 1,638     | 1,216     | -         | -         | - | - | -         | -         | -         |
| Repayment of borrowing              | (2,191)   | (154)     | (2,528)   | (4,790)   | (6,697)   | - | - | (4,550)   | -         | -         |
|                                     | (11,913)  | (99)      | 458       | (1,410)   | 1,616     | - | - | (958)     | 151       | (9)       |

## NC452 Ga-Segonyana - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description                                       |   | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand  |   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Cash and investments available</b>             |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash/cash equivalents at the year end             | 1 |     | 631             | 532             | 990             | 176                  | 2,606           | -                  | -                 | 1,608   | 1,769                  | 1,754                  |
| Other current investments > 90 days               |   |     | -               | -               | -               | (176)                | -               | -                  | -                 | -   | -                      | -                      |
| Non current assets - Investments                  | 1 |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Cash and investments available:</b>            |   |     | <b>631</b>      | <b>532</b>      | <b>990</b>      | <b>-</b>             | <b>2,606</b>    | <b>-</b>           | <b>-</b>          | <b>1,608</b>  | <b>1,769</b>           | <b>1,754</b>           |
| <b>Application of cash and investments</b>        |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Unspent conditional transfers                     |   |     | 7,944           | 8,911           | 16,493          | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Unspent borrowing                                 |   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Statutory requirements                            | 2 |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other working capital requirements                | 3 |     | 16,431          | 48,683          | 66,660          | (37,903)             | 19,470          | -                  | -                 | (4,015)   | (15,943)               | (19,345)               |
| Other provisions                                  |   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Long term investments committed                   | 4 |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Reserves to be backed by cash/investments         | 5 |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Application of cash and investments:</b> |   |     | <b>23,376</b>   | <b>58,594</b>   | <b>87,352</b>   | <b>(37,903)</b>      | <b>19,470</b>   | <b>-</b>           | <b>-</b>          | <b>(4,015)</b>                                      | <b>(15,943)</b>        | <b>(19,345)</b>        |
| <b>Surplus(shortfall)</b>                         |   |     | <b>(22,745)</b> | <b>(58,062)</b> | <b>(86,362)</b> | <b>37,903</b>        | <b>(16,864)</b> | <b>-</b>           | <b>-</b>          | <b>5,624</b>  | <b>17,702</b>          | <b>21,099</b>          |

## References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

## Other working capital requirements

|               |          |          |          |        |          |   |   |        |        |        |
|---------------|----------|----------|----------|--------|----------|---|---|--------|--------|--------|
| Debtors       | 30,859   | 57,363   | 55,816   | 56,092 | 63,587   | - | - | 58,572 | 61,840 | 65,242 |
| Creditors due | 40,290   | 107,046  | 124,678  | 16,157 | 83,157   | - | - | 54,957 | 45,957 | 46,057 |
| Total         | (15,431) | (49,683) | (68,862) | 37,935 | (19,470) | - | - | 4,015  | 15,883 | 19,185 |

## Debtors collection assumptions:

|                                      |        |        |        |        |        |      |      |        |        |        |
|--------------------------------------|--------|--------|--------|--------|--------|------|------|--------|--------|--------|
| Balance outstanding - debtors        | 40,691 | 49,414 | 57,258 | 70,426 | 71,429 | -    | -    | 71,431 | 75,289 | 79,429 |
| Estimate of debtors' collection rate | 75.8%  | 116.1% | 83.0%  | 78.6%  | 89.2%  | 0.0% | 0.0% | 82.1%  | 82.1%  | 82.1%  |

Long term investments committed

Balance (insert description, eg sinking fund)

|  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
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| Description                                    | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>R thousand</b>                              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>CAPITAL EXPENDITURE</b>                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <u><b>Total New Assets</b></u>                 | 1   | 103,857         | 118,384         | 102,527         | 95,256               | 21,510          | -                  | 24,549  | 34,861                 | 30,503                 |
| Roads Infrastructure                           |     | 15,302          | 35,780          | 28,438          | 40,160               | -               | -                  | -   | -                      | -                      |
| Storm water Infrastructure                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Electrical Infrastructure                      |     | -               | 1,500           | 1,181           | 5,000                | 5,000           | -                  | 1,000   | -                      | -                      |
| Water Supply Infrastructure                    |     | 60,331          | 64,945          | 67,995          | 35,310               | 11,900          | -                  | -   | -                      | -                      |
| Sanitation Infrastructure                      |     | 8,054           | 11,032          | -               | 8,231                | -               | -                  | -   | 9,540                  | 5,500                  |
| Solid Waste Infrastructure                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rail Infrastructure                            |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Coastal Infrastructure                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Information and Communication Infrastructure   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Infrastructure</b>                          |     | 86,697          | 113,256         | 96,614          | 88,701               | 16,900          | -                  | 1,000   | 9,540                  | 6,500                  |
| Community Facilities                           |     | 6,254           | -               | -               | 3,010                | 3,010           | -                  | 7,559   | 25,221                 | 24,003                 |
| Sport and Recreation Facilities                |     | -               | -               | -               | -                    | -               | -                  | 10,545  | -                      | -                      |
| <b>Community Assets</b>                        |     | 6,294           | -               | -               | 3,010                | 3,010           | -                  | 18,104  | 25,221                 | 24,003                 |
| <b>Heritage Assets</b>                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Revenue Generating                             |     | 4,935           | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Non-revenue Generating                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Investment properties</b>                   |     | 4,936           | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Operational Buildings                          |     | 4,541           | -               | 186             | -                    | 200             | -                  | -   | -                      | -                      |
| Housing  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Other Assets</b>                            |     | 4,641           | -               | 186             | -                    | 200             | -                  | -   | -                      | -                      |
| <b>Biological or Cultivated Assets</b>         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Servitudes                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Licences and Rights                            |     | -               | 131             | 400             | -                    | -               | -                  | 130   | -                      | -                      |
| <b>Intangible Assets</b>                       |     | -               | 131             | 400             | -                    | -               | -                  | 130   | -                      | -                      |
| Computer Equipment                             |     | 53              | -               | -               | 315                  | 400             | -                  | -   | -                      | -                      |
| Furniture and Office Equipment                 |     | 1,237           | 4,996           | 1,814           | 2,620                | -               | -                  | 2,005   | -                      | -                      |
| Machinery and Equipment                        |     | -               | -               | 1,514           | 610                  | 1,000           | -                  | 3,610   | -                      | -                      |
| Transport Assets                               |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Libraries                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Zoo's, Marine and Non-biological Animals       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <u><b>Total Renewal of Existing Assets</b></u> | 2   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Roads Infrastructure                           |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Storm water Infrastructure                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Electrical Infrastructure                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Water Supply Infrastructure                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Sanitation Infrastructure                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Solid Waste Infrastructure                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rail Infrastructure                            |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Coastal Infrastructure                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Information and Communication Infrastructure   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Infrastructure</b>                          |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Community Facilities                           |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Sport and Recreation Facilities                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Community Assets</b>                        |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Heritage Assets</b>                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Revenue Generating                             |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Non-revenue Generating                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Investment properties</b>                   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Operational Buildings                          |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Other Assets</b>                            |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Biological or Cultivated Assets</b>         |     | -               | -               | -               | -                    |                 |                    |   |                        |                        |

| Description                                    | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>CAPITAL EXPENDITURE</b>                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b><u>Total New Assets</u></b>                 | 1   | 103,857         | 118,384         | 102,527         | 95,256               | 21,510          | -                  | 24,549  | 34,861                 | 30,503                 |
| Roads Infrastructure                           |     | 15,302          | 35,780          | 28,438          | 40,160               | -               | -                  | -   | -                      | -                      |
| Storm water Infrastructure                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Electrical Infrastructure                      |     | -               | 1,500           | 1,181           | 5,000                | 5,000           | -                  | 1,000   | -                      | -                      |
| Water Supply Infrastructure                    |     | 60,331          | 64,945          | 67,995          | 35,310               | 11,900          | -                  | -   | -                      | -                      |
| Sanitation Infrastructure                      |     | 8,054           | 11,032          | -               | 8,231                | -               | -                  | -   | 9,540                  | 5,500                  |
| Solid Waste Infrastructure                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rail Infrastructure                            |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Coastal Infrastructure                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Information and Communication Infrastructure   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Infrastructure</b>                          |     | 86,697          | 113,256         | 96,614          | 88,701               | 16,900          | -                  | 1,000   | 9,540                  | 6,500                  |
| Community Facilities                           |     | 6,254           | -               | -               | 3,010                | 3,010           | -                  | 7,559   | 25,221                 | 24,003                 |
| Sport and Recreation Facilities                |     | -               | -               | -               | -                    | -               | -                  | 10,545  | -                      | -                      |
| <b>Community Assets</b>                        |     | 6,294           | -               | -               | 3,010                | 3,010           | -                  | 18,104  | 25,221                 | 24,003                 |
| <b>Heritage Assets</b>                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Revenue Generating                             |     | 4,935           | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Non-revenue Generating                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Investment properties</b>                   |     | 4,936           | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Operational Buildings                          |     | 4,541           | -               | 186             | -                    | 200             | -                  | -   | -                      | -                      |
| Housing  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Other Assets</b>                            |     | 4,641           | -               | 186             | -                    | 200             | -                  | -   | -                      | -                      |
| <b>Biological or Cultivated Assets</b>         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Servitudes                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Licences and Rights                            |     | -               | 131             | 400             | -                    | -               | -                  | 130   | -                      | -                      |
| <b>Intangible Assets</b>                       |     | -               | 131             | 400             | -                    | -               | -                  | 130   | -                      | -                      |
| Computer Equipment                             |     | 53              | -               | -               | 315                  | 400             | -                  | -   | -                      | -                      |
| Furniture and Office Equipment                 |     | 1,237           | 4,996           | 1,814           | 2,620                | -               | -                  | 2,005   | -                      | -                      |
| Machinery and Equipment                        |     | -               | -               | 1,514           | 610                  | 1,000           | -                  | 3,610   | -                      | -                      |
| Transport Assets                               |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Libraries                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Zoo's, Marine and Non-biological Animals       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b><u>Total Renewal of Existing Assets</u></b> | 2   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Roads Infrastructure                           |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Storm water Infrastructure                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Electrical Infrastructure                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Water Supply Infrastructure                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Sanitation Infrastructure                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Solid Waste Infrastructure                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rail Infrastructure                            |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Coastal Infrastructure                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Information and Communication Infrastructure   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Infrastructure</b>                          |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Community Facilities                           |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Sport and Recreation Facilities                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Community Assets</b>                        |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Heritage Assets</b>                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Revenue Generating                             |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Non-revenue Generating                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Investment properties</b>                   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Operational Buildings                          |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Other Assets</b>                            |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Biological or Cultivated Assets</b>         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Servitudes                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Licences and Rights                            |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Intangible Assets</b>                       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Computer Equipment                             |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Furniture and Office Equipment                 |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Machinery and Equipment                        |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Transport Assets                               |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Libraries                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Zoo's, Marine and Non-biological Animals       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |

|  |   |         |         |         |        |        |   |         |         |        |
|--|---|---------|---------|---------|--------|--------|---|---------|---------|--------|
| <b>Total Upgrading of Existing Assets</b>      | 6 | -       | -       | -       | -      | 69,470 | - | 75,327  | 101,822 | 61,891 |
| Roads Infrastructure                           |   | -       | -       | -       | -      | 34,160 | - | 30,327  | 16,462  | 26,716 |
| Storm water Infrastructure                     |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Electrical Infrastructure                      |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Water Supply Infrastructure                    |   | -       | -       | -       | -      | 35,310 | - | 11,317  | 83,834  | 33,175 |
| Sanitation Infrastructure                      |   | -       | -       | -       | -      | -      | - | 33,683  | 1,526   | -      |
| Solid Waste Infrastructure                     |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Rail Infrastructure                            |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Coastal Infrastructure                         |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Information and Communication Infrastructure   |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Infrastructure</b>                          |   | -       | -       | -       | -      | 69,470 | - | 75,327  | 101,822 | 61,891 |
| Community Facilities                           |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Sport and Recreation Facilities                |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Community Assets</b>                        |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Heritage Assets</b>                         |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Revenue Generating                             |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Non-revenue Generating                         |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Investment properties</b>                   |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Operational Buildings                          |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Housing  |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Other Assets</b>                            |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Biological or Cultivated Assets</b>         |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Servitudes                                     |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Licences and Rights                            |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Intangible Assets</b>                       |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Computer Equipment                             |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Furniture and Office Equipment                 |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Machinery and Equipment                        |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Transport Assets                               |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Libraries                                      |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Zoo's, Marine and Non-biological Animals       |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Total Capital Expenditure</b>               | 4 | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Roads Infrastructure                           |   | 19,302  | 35,780  | 29,438  | 40,160 | 34,160 | - | 30,327  | 16,462  | 26,716 |
| Storm water Infrastructure                     |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Electrical Infrastructure                      |   | -       | 1,500   | 1,161   | 5,000  | 5,000  | - | 1,000   | -       | -      |
| Water Supply Infrastructure                    |   | 69,331  | 64,945  | 67,995  | 35,310 | 47,210 | - | 11,317  | 83,834  | 33,175 |
| Sanitation Infrastructure                      |   | 6,054   | 11,032  | -       | 8,231  | -      | - | 33,683  | 11,196  | 6,500  |
| Solid Waste Infrastructure                     |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Rail Infrastructure                            |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Coastal Infrastructure                         |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Information and Communication Infrastructure   |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Infrastructure</b>                          |   | 86,687  | 113,256 | 98,614  | 88,701 | 86,370 | - | 76,327  | 111,462 | 68,291 |
| Community Facilities                           |   | 6,294   | -       | -       | 3,010  | 3,010  | - | 7,559   | 25,221  | 24,003 |
| Sport and Recreation Facilities                |   | -       | -       | -       | -      | -      | - | 10,546  | -       | -      |
| <b>Community Assets</b>                        |   | 6,294   | -       | -       | 3,010  | 3,010  | - | 18,104  | 25,221  | 24,003 |
| <b>Heritage Assets</b>                         |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Revenue Generating                             |   | 4,536   | -       | -       | -      | -      | - | -       | -       | -      |
| Non-revenue Generating                         |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Investment properties</b>                   |   | 4,536   | -       | -       | -      | -      | - | -       | -       | -      |
| Operational Buildings                          |   | 4,641   | -       | 186     | -      | 200    | - | -       | -       | -      |
| Housing  |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>Other Assets</b>                            |   | 4,641   | -       | 186     | -      | 200    | - | -       | -       | -      |
| <b>Biological or Cultivated Assets</b>         |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Servitudes                                     |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Licences and Rights                            |   | -       | 131     | 400     | -      | -      | - | 130     | -       | -      |
| <b>Intangible Assets</b>                       |   | -       | 131     | 400     | -      | -      | - | 130     | -       | -      |
| Computer Equipment                             |   | 53      | -       | -       | 315    | 400    | - | -       | -       | -      |
| Furniture and Office Equipment                 |   | 1,237   | 4,996   | 1,814   | 2,620  | -      | - | 2,905   | -       | -      |
| Machinery and Equipment                        |   | -       | -       | 1,514   | 610    | 1,000  | - | 3,610   | -       | -      |
| Transport Assets                               |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Libraries                                      |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| Zoo's, Marine and Non-biological Animals       |   | -       | -       | -       | -      | -      | - | -       | -       | -      |
| <b>TOTAL CAPITAL EXPENDITURE - Asset class</b> |   | 103,857 | 118,384 | 102,527 | 95,256 | 90,980 | - | 100,176 | 136,684 | 92,393 |

|  |   |   |         |           |           |           |           |      |           |           |           |
|--|---|---|---------|-----------|-----------|-----------|-----------|------|-----------|-----------|-----------|
| ASSET REGISTER SUMMARY - PPE (WDV)                           |   | 5 |         |           |           |           |           |      |           |           |           |
| Roads Infrastructure   |   |   | 345,616 | 396,196   | 395,873   | 335,553   | 430,032   |      | 432,812   | 460,374   | 479,090   |
| Storm water Infrastructure                                   |   |   | -       | -         | -         | 12,541    | -         |      | -         | -         | -         |
| Electrical Infrastructure                                    |   |   | 104,865 | 105,369   | 106,050   | 96,867    | 111,050   |      | 107,050   | 107,050   | 107,050   |
| Water Supply Infrastructure                                  |   |   | 368,126 | 509,116   | 564,258   | 411,617   | 612,366   |      | 575,575   | 659,408   | 692,584   |
| Sanitation Infrastructure                                    |   |   | 6,816   | 19,847    | 8,815     | 174,363   | 6,815     |      | 42,438    | 52,664    | 63,154    |
| Solid Waste Infrastructure                                   |   |   | 7,088   | 7,088     | 7,088     | -         | 7,088     |      | 7,088     | 7,088     | 7,088     |
| Rail Infrastructure  |   |   | -       | -         | -         | -         | -         |      | -         | -         | -         |
| Coastal Infrastructure                                       |   |   | -       | -         | -         | -         | -         |      | -         | -         | -         |
| Information and Communication Infrastructure                 |   |   | -       | -         | -         | -         | -         |      | -         | -         | -         |
| Infrastructure   |   |   | 864,612 | 1,038,616 | 1,082,084 | 1,030,931 | 1,169,363 | -    | 1,186,122 | 1,277,586 | 1,345,975 |
| Community Facilities   |   |   | 8,970   | 3,067     | 2,575     | 5,709     | 5,886     |      | 13,269    | 38,490    | 62,492    |
| Sport and Recreation Facilities                              |   |   | -       | -         | -         | 2,541     | -         |      | -         | -         | -         |
| Community Assets   |   |   | 8,970   | 3,067     | 2,876     | 8,250     | 5,886     | -    | 13,269    | 38,490    | 62,492    |
| Heritage Assets  |   |   | 1,650   | 1,656     | 1,656     | -         | 1,656     |      | 1,656     | 1,656     | 1,656     |
| Revenue Generating   |   |   | -       | -         | -         | 1,650     | -         |      | -         | -         | -         |
| Non-revenue Generating                                       |   |   | 6,961   | 6,961     | 6,961     | -         | 6,961     |      | 6,961     | 6,961     | 6,961     |
| Investment properties  |   |   | 6,961   | 6,961     | 6,961     | 1,650     | 6,961     | -    | 6,961     | 6,961     | 6,961     |
| Operational Buildings  |   |   | 107,701 | 97,592    | 86,262    | 6,961     | 86,252    |      | 86,262    | 86,262    | 86,262    |
| Housing  |   |   | -       | -         | -         | -         | -         |      | -         | -         | -         |
| Other Assets   |   |   | 107,701 | 97,692    | 86,262    | 6,961     | 86,262    | -    | 86,262    | 86,262    | 86,262    |
| Biological or Cultivated Assets                              |   |   | -       | -         | -         | -         | -         |      | -         | -         | -         |
| Services   |   |   | -       | -         | -         | -         | -         |      | -         | -         | -         |
| Licences and Rights  |   |   | 572     | 584       | 573       | 539       | 573       |      | 703       | 703       | 703       |
| Intangible Assets  |   |   | 572     | 584       | 573       | 539       | 573       | -    | 703       | 703       | 703       |
| Computer Equipment   |   |   | -       | -         | -         | 836       | 400       |      | -         | -         | -         |
| Furniture and Office Equipment                               |   |   | -       | 5,076     | 2,936     | 10,562    | 2,936     |      | 4,941     | 4,941     | 4,941     |
| Machinery and Equipment                                      |   |   | -       | 85        | 1,599     | 56,324    | 1,899     |      | 5,209     | 5,209     | 5,209     |
| Transport Assets   |   |   | -       | 4,577     | 3,610     | 27,652    | 3,610     |      | 3,610     | 3,610     | 3,610     |
| Libraries  |   |   | -       | -         | -         | -         | -         |      | -         | -         | -         |
| Zoo's, Marine and Non-biological Animals                     |   |   | -       | -         | -         | -         | -         |      | -         | -         | -         |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV)                     |   | 5 | 990,366 | 1,158,413 | 1,188,557 | 1,143,706 | 1,279,537 | -    | 1,288,733 | 1,425,417 | 1,517,810 |
| EXPENDITURE OTHER ITEMS                                      |   |   |         |           |           |           |           |      |           |           |           |
| Depreciation   | 7 |   | 45,804  | 48,478    | 51,788    | 36,201    | 35,201    | -    | 43,875    | 46,244    | 48,786    |
| Repairs and Maintenance by Asset Class                       | 3 |   | 22,178  | 30,610    | 18,697    | 36,780    | 12,422    | -    | 9,333     | 9,837     | 10,378    |
| Roads Infrastructure   |   |   | 4,562   | 4,695     | 2,475     | 1,000     | 1,000     | -    | 600       | 527       | 555       |
| Storm water Infrastructure                                   |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Electrical Infrastructure                                    |   |   | 1,521   | 6,276     | 4,276     | 2,400     | 1,063     | -    | 1,200     | 1,255     | 1,334     |
| Water Supply Infrastructure                                  |   |   | 1,546   | 6,891     | 4,227     | 23,820    | 300       | -    | 200       | 211       | 222       |
| Sanitation Infrastructure                                    |   |   | 670     | 2,589     | 2,889     | 2,300     | 4,500     | -    | -         | -         | -         |
| Solid Waste Infrastructure                                   |   |   | 460     | -         | -         | 3,922     | 3,022     | -    | 3,215     | 3,388     | 3,575     |
| Rail Infrastructure  |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Coastal Infrastructure                                       |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Information and Communication Infrastructure                 |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Infrastructure   |   |   | 8,658   | 20,652    | 13,569    | 33,442    | 9,914     | -    | 5,115     | 5,391     | 5,688     |
| Community Facilities   |   |   | 276     | -         | -         | 73        | 594       | -    | 400       | 422       | 445       |
| Sport and Recreation Facilities                              |   |   | 25      | -         | -         | -         | -         | -    | 80        | 84        | 85        |
| Community Assets   |   |   | 302     | -         | -         | 73        | 594       | -    | 480       | 506       | 534       |
| Heritage Assets  |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Revenue Generating   |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Non-revenue Generating                                       |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Investment properties  |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Operational Buildings  |   |   | 541     | -         | -         | 1,020     | 323       | -    | 290       | 305       | 322       |
| Housing  |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Other Assets   |   |   | 541     | -         | -         | 1,020     | 323       | -    | 290       | 306       | 322       |
| Biological or Cultivated Assets                              |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Services   |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Licences and Rights  |   |   | -       | 251       | 251       | -         | -         | -    | -         | -         | -         |
| Intangible Assets  |   |   | -       | 251       | 251       | -         | -         | -    | -         | -         | -         |
| Computer Equipment   |   |   | 1,412   | -         | -         | 350       | -         | -    | -         | -         | -         |
| Furniture and Office Equipment                               |   |   | 1,025   | 184       | 76        | 180       | 210       | -    | 41        | 43        | 45        |
| Machinery and Equipment                                      |   |   | 2,025   | -         | -         | 515       | 430       | -    | 638       | 672       | 709       |
| Transport Assets   |   |   | 8,215   | 9,524     | 4,801     | 1,200     | 950       | -    | 2,770     | 2,920     | 3,080     |
| Libraries  |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| Zoo's, Marine and Non-biological Animals                     |   |   | -       | -         | -         | -         | -         | -    | -         | -         | -         |
| TOTAL EXPENDITURE OTHER ITEMS                                |   |   | 67,782  | 79,089    | 70,485    | 72,981    | 48,623    | -    | 53,208    | 56,081    | 59,166    |
| Renewal and upgrading of Existing Assets as % of total capex |   |   | 0.0%    | 0.0%      | 0.0%      | 0.0%      | 76.4%     | 0.0% | 75.2%     | 74.5%     | 67.0%     |
| Renewal and upgrading of Existing Assets as % of deprecn     |   |   | 0.0%    | 0.0%      | 0.0%      | 0.0%      | 191.9%    | 0.0% | 171.7%    | 220.2%    | 126.9%    |
| R&M as a % of PPE  |   |   | 2.3%    | 2.7%      | 1.6%      | 3.2%      | 1.0%      | 0.0% | 0.7%      | 0.7%      | 0.7%      |
| Renewal and upgrading and R&M as a % of PPE                  |   |   | 2.0%    | 3.0%      | 2.0%      | 3.0%      | 5.0%      | 0.0% | 7.0%      | 8.0%      | 5.0%      |

#### References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

NC452 Ga-Segonyana - Table A10 Basic service delivery measurement

| Description  | Ref | 2014/15    | 2015/16    | 2016/17    | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|------------|------------|------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Outcome    | Outcome    | Outcome    | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Household service targets</b>   | 1   |            |            |            |                      |                 |                    |   |                        |                        |
| <b>Water:</b>  |     |            |            |            |                      |                 |                    |   |                        |                        |
| Piped water inside dwelling  |     | 7,245      | 7,248      | 7,248      | 5,557                | 5,557           | -                  | 5,557   | 5,557                  | 5,557                  |
| Piped water inside yard (but not in dwelling)  |     | 1,812      | 1,812      | 1,812      | 4,516                | 4,516           | -                  | 4,516   | 4,516                  | 4,516                  |
| Using public tap (at least min.service level)  | 2   | 17,353     | 17,353     | 17,353     | 5,970                | 5,970           | -                  | 5,970   | 5,970                  | 5,970                  |
| Other water supply (at least min.service level)  | 4   | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| <b>Minimum Service Level and Above sub-total</b>   |     | 26,423     | 26,423     | 26,423     | 19,073               | 19,073          | -                  | 19,073  | 19,073                 | 19,073                 |
| Using public tap (< min.service level)   | 3   | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Other water supply (< min.service level)   | 4   | 24,081     | 24,081     | 24,081     | 19,073               | 19,073          | -                  | 19,073  | 19,073                 | 19,073                 |
| No water supply  |     | 2,352      | 2,352      | 2,352      | 5,482                | 5,482           | -                  | 5,482   | 5,482                  | 5,482                  |
| <b>Below Minimum Service Level sub-total</b>   |     | 26,433     | 26,433     | 26,433     | 25,555               | 25,555          | -                  | 25,555  | 25,555                 | 25,555                 |
| <b>Total number of households</b>  | 5   | 52,856     | 52,856     | 52,856     | 44,628               | 44,628          | -                  | 44,628  | 44,628                 | 44,628                 |
| <b>Sanitation/sewage:</b>  |     |            |            |            |                      |                 |                    |   |                        |                        |
| Flush toilet (connected to sewerage)   |     | 7,248      | 7,248      | 7,248      | 4,152                | 4,152           | -                  | 4,152   | 4,152                  | 4,152                  |
| Flush toilet (with septic tank)  |     | 15,349     | 15,349     | 15,349     | 702                  | 702             | -                  | 702   | 702                    | 702                    |
| Chemical toilet  |     | -          | -          | -          | 252                  | 252             | -                  | 252   | 252                    | 252                    |
| Pit toilet (vent and)  |     | 2,512      | 2,512      | 2,512      | 3,458                | 3,458           | -                  | 3,458   | 3,458                  | 3,458                  |
| Other toilet provisions (> min.service level)  |     | 13,445     | 13,445     | 13,445     | -                    | -               | -                  | -   | -                      | -                      |
| <b>Minimum Service Level and Above sub-total</b>   |     | 38,556     | 38,556     | 38,556     | 8,524                | 8,524           | -                  | 8,524   | 8,524                  | 8,524                  |
| Bucket toilet  |     | -          | -          | -          | 428                  | 428             | -                  | 428   | 428                    | 428                    |
| Other toilet provisions (< min.service level)  |     | 9,054      | 9,054      | 9,054      | 830                  | 830             | -                  | 830   | 830                    | 830                    |
| No toilet provisions   |     | 1,816      | 1,816      | 1,816      | 2,550                | 2,550           | -                  | 2,550   | 2,550                  | 2,550                  |
| <b>Below Minimum Service Level sub-total</b>   |     | 10,870     | 10,870     | 10,870     | 3,718                | 3,718           | -                  | 3,718   | 3,718                  | 3,718                  |
| <b>Total number of households</b>  | 5   | 49,426     | 49,426     | 49,426     | 12,342               | 12,342          | -                  | 12,342  | 12,342                 | 12,342                 |
| <b>Energy:</b>   |     |            |            |            |                      |                 |                    |   |                        |                        |
| Electricity (at least min.service level)   |     | 10,707,749 | 10,707,749 | 10,707,749 | -                    | -               | -                  | 10,707,749  | 10,707,749             | 10,707,749             |
| Electricity - prepaid (min.service level)  |     | 5,641      | 5,641      | 5,641      | -                    | -               | -                  | 6,541   | 6,541                  | 6,541                  |
| <b>Minimum Service Level and Above sub-total</b>   |     | 10,714,390 | 10,714,390 | 10,714,390 | -                    | -               | -                  | 10,714,390  | 10,714,390             | 10,714,390             |
| Electricity (< min.service level)  |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Electricity - prepaid (< min. service level)   |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Other energy sources   |     | 31,155     | 31,155     | 31,155     | -                    | -               | -                  | -   | -                      | -                      |
| <b>Below Minimum Service Level sub-total</b>   |     | 31,155     | 31,155     | 31,155     | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total number of households</b>  | 5   | 10,745,555 | 10,745,555 | 10,745,555 | -                    | -               | -                  | 10,714,390  | 10,714,390             | 10,714,390             |
| <b>Refuse:</b>   |     |            |            |            |                      |                 |                    |   |                        |                        |
| Removed at least once a week   |     | 57,750     | 57,750     | 57,750     | 5,072                | 5,072           | -                  | 5,072   | 5,072                  | 5,072                  |
| <b>Minimum Service Level and Above sub-total</b>   |     | 57,750     | 57,750     | 57,750     | 5,072                | 5,072           | -                  | 5,072   | 5,072                  | 5,072                  |
| Removed less frequently than once a week   |     | 75         | 75         | 75         | 113                  | 113             | -                  | 113   | 113                    | 113                    |
| Using communal refuse dump   |     | -          | -          | -          | 1,114                | 1,114           | -                  | 1,114   | 1,114                  | 1,114                  |
| Using own refuse dump  |     | 23,157     | 23,157     | 23,157     | 14,355               | 14,355          | -                  | 14,355  | 14,355                 | 14,355                 |
| Other rubbish disposal   |     | -          | -          | -          | 1,953                | 1,953           | -                  | 1,953   | 1,953                  | 1,953                  |
| No rubbish disposal  |     | 10,115     | 10,115     | 10,115     | 1,200                | 1,200           | -                  | 1,200   | 1,200                  | 1,200                  |
| <b>Below Minimum Service Level sub-total</b>   |     | 33,349     | 33,349     | 33,349     | 16,755               | 16,755          | -                  | 16,755  | 16,755                 | 16,755                 |
| <b>Total number of households</b>  | 5   | 91,142     | 91,142     | 91,142     | 23,827               | 23,827          | -                  | 23,827  | 23,827                 | 23,827                 |
| <b>Households receiving Free Basic Service</b>   | 7   |            |            |            |                      |                 |                    |   |                        |                        |
| Water (6 kilolitre per household per month)  |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Sanitation (free minimum level service)  |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Electricity/other energy (50kwh per household per month)   |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Refuse (removed at least once a week)  |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| <b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>                                   | 8   |            |            |            |                      |                 |                    |   |                        |                        |
| Water (6 kilolitre per indigent household per month)   |     | -          | -          | -          | -                    | -               | -                  | 200   | 211                    | 222                    |
| Sanitation (free sanitation service to indigent households)  |     | -          | -          | -          | -                    | -               | -                  | 200   | 211                    | 222                    |
| Electricity/other energy (50kwh per indigent household per month)  |     | -          | -          | -          | -                    | -               | -                  | 800   | 843                    | 859                    |
| Refuse (removed once a week for indigent households)   |     | -          | -          | -          | -                    | -               | -                  | 100   | 105                    | 111                    |
| <b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>                          |     |            |            |            |                      |                 |                    | -   | -                      | -                      |
| <b>Total cost of FBS provided</b>  |     |            |            |            |                      |                 |                    | 1,300   | 1,370                  | 1,446                  |
| <b>Highest level of free service provided per household</b>  |     |            |            |            |                      |                 |                    |   |                        |                        |
| Property rates (R value threshold)   |     |            |            |            |                      |                 |                    |   |                        |                        |
| Water (6 kilolitre per household per month)  |     |            |            |            |                      |                 |                    |   |                        |                        |
| Sanitation (50litre per household per month)   |     |            |            |            |                      |                 |                    |   |                        |                        |
| Sanitation (100litre per household per month)  |     |            |            |            |                      |                 |                    |   |                        |                        |
| Electricity (50kwh per household per month)  |     |            |            |            |                      |                 |                    |   |                        |                        |
| Refuse (average litres per week)   |     |            |            |            |                      |                 |                    |   |                        |                        |
| <b>Revenue cost of subsidised services provided (R'000)</b>  | 9   |            |            |            |                      |                 |                    |   |                        |                        |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)                           |     |            |            |            |                      |                 |                    |   |                        |                        |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA |     | 1,745      | 1,505      | 1,407      | 2,325                | 2,325           | -                  | 1,000   | 1,054                  | 1,112                  |
| Water (in excess of 6 kilolitre per indigent household per month)  |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Sanitation (in excess of free sanitation service to indigent households)                                   |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Electricity/other energy (in excess of 50 kwh per indigent household per month)                            |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Refuse (in excess of one removal a week for indigent households)   |     | -          | -          | -          | -                    | -               | -                  | -   | -                      | -                      |
| Municipal Housing - rental rebates   |     |            |            |            |                      |                 |                    |   |                        |                        |
| Housing - top structure subsidies  |     |            |            |            |                      |                 |                    |   |                        |                        |
| Other  | 5   |            |            |            |                      |                 |                    |   |                        |                        |
| <b>Total revenue cost of subsidised services provided</b>  |     | 1,745      | 1,505      | 1,407      | 2,325                | 2,325           | -                  | 1,000   | 1,054                  | 1,112                  |

**References:**

1. Includes services provided by another entity e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain water tank etc.
5. Must agree to take number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least three levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone of providing free services (note this will not equal 'Revenue Foregone' on SA ?)

NC452 Ga-Seonyana - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

| VC452 Ga-Gonyana - Supporting Table SA.1 Supporting detail to 'Budgeted Financial Performance'                     |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description  | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>REVENUE ITEMS:</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Property taxes</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Property Rates   | 5   | 32,293          | 32,977          | 37,657          | 41,402               | 41,402          |                    |                   | 43,594  | 45,940                 | 45,476                 |
| Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of NPA) |     | 1,745           | 1,856           | 1,407           | 2,325                | 2,325           | -                  | -                 | 1,000   | 1,064                  | 1,112                  |
| Net Property Rates   |     | 30,538          | 31,122          | 36,250          | 39,075               | 39,075          | -                  | -                 | 42,594  | 44,874                 | 47,353                 |
| <b>Service charges - electricity revenue</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - electricity revenue  | 6   | 65,596          | 61,304          | 62,237          | 60,281               | 66,134          |                    |                   | 65,619  | 102,762                | 105,125                |
| Less Revenue Foregone (in excess of 50 kWh per indigent household per month)                                       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Less Cost of Free Basic Services (50 kWh per indigent household per month)   |     |                 |                 |                 |                      |                 |                    |                   | 800   | 843                    | 890                    |
| Net Service charges - electricity revenue  |     | 66,996          | 61,304          | 62,237          | 60,281               | 66,134          | -                  | -                 | 94,819  | 99,929                 | 105,435                |
| <b>Service charges - water revenue</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - water revenue  | 6   | 15,894          | 15,641          | 17,473          | 16,602               | 16,749          |                    |                   | 26,144  | 21,232                 | 22,400                 |
| Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)                                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Less Cost of Free Basic Services (6 kilolitres per indigent household per month)                                   |     |                 |                 |                 |                      |                 |                    |                   | 200   | 211                    | 222                    |
| Net Service charges - water revenue  |     | 15,894          | 15,641          | 17,473          | 16,602               | 16,749          | -                  | -                 | 15,944  | 21,021                 | 22,177                 |
| <b>Service charges - sanitation revenue</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - sanitation revenue   |     | 10,429          | 12,746          | 15,134          | 12,322               | 12,398          |                    |                   | 8,779   | 9,253                  | 9,702                  |
| Less Revenue Foregone (in excess of free sanitation service to indigent households)                                |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Less Cost of Free Basic Services (free sanitation service to indigent households)                                  |     |                 |                 |                 |                      |                 |                    |                   | 200   | 211                    | 222                    |
| Net Service charges - sanitation revenue   |     | 10,429          | 12,746          | 15,134          | 12,322               | 12,398          | -                  | -                 | 8,579   | 9,042                  | 9,480                  |
| <b>Service charges - refuse revenue</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total refuse removal revenue   | 6   | 6,993           | 7,394           | 7,921           | 9,050                | 9,050           |                    |                   | 10,062  | 10,590                 | 11,162                 |
| Total landfill revenue   |     | -               | -               | -               | -                    | -               |                    |                   | -   | -                      | -                      |
| Less Revenue Foregone (in excess of one removal a week to indigent households)                                     |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Less Cost of Free Basic Services (removed once a week to indigent households)                                      |     |                 |                 |                 |                      |                 |                    |                   | 100   | 105                    | 111                    |
| Net Service charges - refuse revenue   |     | 6,993           | 7,394           | 7,921           | 9,050                | 9,050           | -                  | -                 | 9,962   | 10,484                 | 11,051                 |
| <b>Other Revenue by source</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Fuel Levy  |     | -               | -               | -               | -                    | -               |                    |                   | -   | -                      | -                      |
| Sale of Goods  |     | 4,250           | -               | -               | 10,020               | 7,020           |                    |                   | 3,000   | 3,162                  | 3,336                  |
| Building Plan Fees   |     | -               | -               | -               | 550                  | 492             |                    |                   | 455   | 480                    | 526                    |
| BETA   |     | -               | -               | -               | 200                  | 200             |                    |                   | 200   | 211                    | 222                    |
| Entrance Fees  |     | -               | -               | -               | 212                  | 172             |                    |                   | 150   | 150                    | 200                    |
| Sales of Goods and Services  |     | -               | -               | -               | -                    | -               |                    |                   | 544   | 525                    | 1,049                  |
| Other Revenue  |     | 25,504          | 25,151          | 23,301          | 2,161                | 1,705           |                    |                   | 0   | -                      | -                      |
| Total 'Other' Revenue  | 3   | 31,154          | 25,151          | 23,301          | 13,126               | 9,529           |                    |                   | 4,779   | 5,037                  | 5,314                  |
| <b>EXPENDITURE ITEMS:</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Employee related costs</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Basic Salaries and Wages   | 2   | 55,680          | 55,407          | 60,490          | 61,861               | 75,304          |                    |                   | 81,361  | 96,294                 | 101,500                |
| Pension and JIF Contributions  |     | 8,105           | 8,183           | 10,261          | 11,511               | 11,012          |                    |                   | 14,100  | 14,861                 | 15,679                 |
| Medical Aid Contributions  |     | 3,711           | 3,711           | 5,011           | 4,822                | 5,845           |                    |                   | 6,080   | 6,409                  | 6,751                  |
| Overtime   |     | 3,482           | 3,482           | 3,857           | 3,279                | 5,511           |                    |                   | 1,975   | 2,082                  | 2,197                  |
| Performance Bonus  |     | -               | -               | -               | -                    | -               |                    |                   | -   | -                      | -                      |
| Motor Vehicle Allowance  |     | 2,960           | 2,960           | 2,950           | 3,025                | 3,611           |                    |                   | 3,432   | 3,617                  | 3,816                  |
| Golfing Allowance  |     | 271             | 271             | 271             | 451                  | 454             |                    |                   | 451   | 476                    | 502                    |
| Housing Allowance  |     | 2,455           | 2,455           | 2,455           | 3,051                | 3,006           |                    |                   | 3,800   | 4,005                  | 4,225                  |
| Other benefits and allowances  |     | 10,802          | 10,005          | 15,005          | 3,067                | 3,558           |                    |                   | 3,417   | 3,502                  | 3,800                  |
| Payments in lieu of leave  |     | 1,530           | 1,538           | 1,424           | 132                  | 132             |                    |                   | -   | -                      | -                      |
| Long service awards  |     | 593             | 593             | 502             | 191                  | 167             |                    |                   | 78  | 83                     | 67                     |
| Post-retirement benefit contributions  |     | -               | 580             | 1,008           | -                    | 1,018           |                    |                   | 1,700   | 1,792                  | 1,890                  |
| Less: Employees costs capitalised to PPE   | 4   | 91,554          | 96,142          | 103,879         | 111,675              | 109,621         |                    |                   | 126,356   | 133,220                | 140,547                |
| Total Employee related costs   | 5   | 91,554          | 96,142          | 103,879         | 111,675              | 109,621         |                    |                   | 126,356   | 133,220                | 140,547                |
| <b>Contributions recognised - capital</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Less contributions by contract   | 1   | -               | -               | -               | -                    | -               |                    |                   | -   | -                      | -                      |
| Total Contributions recognised - capital   |     | -               | -               | -               | -                    | -               |                    |                   | -   | -                      | -                      |



|  |    |         |        |        |        |         |   |   |         |         |         |
|--|----|---------|--------|--------|--------|---------|---|---|---------|---------|---------|
| Depreciation & asset impairment                |    |         |        |        |        |         |   |   |         |         |         |
| Depreciation of Property, Plant & Equipment    |    | 45,504  | 45,475 | 51,768 | 36,201 | 36,201  | - | - | 43,875  | 46,244  | 45,768  |
| Lease amortisation                             |    | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Capital asset impairment                       |    | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Depreciation resulting from revaluation of PPE | 10 | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Total Depreciation & asset impairment          | 1  | 45,504  | 45,475 | 51,768 | 36,201 | 36,201  | - | - | 43,875  | 46,244  | 45,768  |
| Bulk purchases                                 |    |         |        |        |        |         |   |   |         |         |         |
| Electricity Bulk Purchases                     |    | 55,422  | 65,515 | 74,459 | 74,797 | 74,757  | - | - | 80,351  | 94,595  | 85,248  |
| Water Bulk Purchases                           |    | -       | 10,503 | 21,654 | -      | 25,573  | - | - | 25,070  | 26,350  | 27,790  |
| Total bulk purchases                           | 1  | 55,422  | 65,517 | 96,112 | 74,797 | 100,330 | - | - | 105,421 | 120,945 | 113,038 |
| Transfers and grants                           |    |         |        |        |        |         |   |   |         |         |         |
| Cash transfers and grants                      |    | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Non-cash transfers and grants                  |    | -       | -      | -      | -      | 70      | - | - | 50      | 53      | 56      |
| Total transfers and grants                     | 1  | -       | -      | -      | -      | 70      | - | - | 50      | 53      | 56      |
| Contracted services                            |    |         |        |        |        |         |   |   |         |         |         |
| Consultants and Professional Services          |    | -       | -      | -      | -      | 21,736  | - | - | 18,320  | 19,238  | 20,549  |
| Contractor Building                            |    | -       | -      | -      | -      | 14,231  | - | - | 11,351  | 11,975  | 12,533  |
| Maintenance of Unspecified Assets              |    | -       | -      | -      | -      | 4,530   | - | - | -       | -       | -       |
| Outsource Services                             |    | 8,454   | 8,898  | 8,422  | -      | 11,630  | - | - | 12,550  | 13,270  | 14,100  |
| MW dumping site                                |    | -       | -      | -      | 3,002  | -       | - | - | -       | -       | -       |
| Water Takers                                   |    | -       | -      | -      | 23,320 | -       | - | - | -       | -       | -       |
| Traffic Jams Management                        |    | -       | -      | -      | 1,800  | -       | - | - | -       | -       | -       |
| Drivers Access cards                           |    | -       | -      | -      | 318    | -       | - | - | -       | -       | -       |
| Security Services                              |    | -       | -      | -      | 5,760  | -       | - | - | -       | -       | -       |
| Maintenance of Sewer Pumps                     |    | -       | -      | -      | 2,300  | -       | - | - | -       | -       | -       |
| sub-total                                      |    |         |        |        |        |         |   |   |         |         |         |
| Allocations to organs of state                 | 1  | 8,454   | 8,898  | 8,422  | 37,440 | 52,137  | - | - | 42,252  | 44,533  | 46,183  |
| Electricity                                    |    | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Water  |    | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Sanitation                                     |    | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Other  |    | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Total contracted services                      | 1  | 8,454   | 8,898  | 8,422  | 37,440 | 52,137  | - | - | 42,252  | 44,533  | 46,183  |
| Other Expenditure By Type                      |    |         |        |        |        |         |   |   |         |         |         |
| Collection costs                               |    | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Contributions to 'other' pensions              |    | -       | -      | -      | -      | -       | - | - | -       | -       | -       |
| Consultant fees                                |    | -       | -      | -      | 5,200  | -       | - | - | -       | -       | -       |
| Audit fees                                     |    | -       | -      | -      | 3,100  | 7,457   | - | - | 3,000   | 5,270   | 5,580   |
| General expenses                               | 3  | 125,520 | 75,777 | 86,561 | 5,229  | 4,519   | - | - | 4,505   | 9,940   | 10,486  |
| Internet/Gateway Accounts                      |    | -       | -      | -      | 1,100  | -       | - | - | -       | -       | -       |
| Insurance                                      |    | -       | -      | -      | 1,300  | 1,594   | - | - | 2,164   | 2,201   | 2,406   |
| Legal Costs                                    |    | -       | -      | -      | 3,000  | -       | - | - | -       | -       | -       |
| Ward Committee Stipends                        |    | -       | -      | -      | 1,680  | 1,480   | - | - | 1,680   | 1,771   | 1,858   |
| Assessment Rates Valuation Cost                |    | -       | -      | -      | 2,000  | -       | - | - | -       | -       | -       |
| Physical Planning                              |    | -       | -      | -      | 2,500  | 2,500   | - | - | 2,500   | 2,536   | 2,700   |
| Employee and Commuters Traveling Costs         |    | -       | -      | -      | 2,540  | 3,426   | - | - | 2,648   | 3,102   | 3,167   |
| SMA Development Levy                           |    | -       | -      | -      | 821    | 1,053   | - | - | 1,180   | 1,222   | 1,290   |
| Disaster Contingency Fund                      |    | -       | -      | -      | 420    | -       | - | - | -       | -       | -       |
| Organisational Department                      |    | -       | -      | -      | 350    | -       | - | - | -       | -       | -       |
| Stock Adjustment                               |    | -       | -      | -      | 1,955  | -       | - | - | -       | -       | -       |
| Computer Accessories                           |    | -       | -      | -      | 352    | -       | - | - | -       | -       | -       |
| Subscriptions Fees                             |    | -       | -      | -      | 1,222  | 1,315   | - | - | 1,306   | 1,474   | 1,555   |
| Fleet Lease                                    |    | -       | -      | -      | 5,020  | 5,102   | - | - | 6,730   | 7,034   | 7,454   |
| Office Equipment Lease                         |    | -       | -      | -      | 2,575  | 2,975   | - | - | 4,478   | 4,720   | 4,979   |
| Councillors and Employee Training              |    | -       | -      | -      | 1,174  | -       | - | - | -       | -       | -       |
| Conditional Grants Materials                   |    | -       | -      | -      | 2,331  | -       | - | - | -       | -       | -       |
| Mayoral Campings                               |    | -       | -      | -      | 500    | -       | - | - | -       | -       | -       |
| Protective Clothing                            |    | -       | -      | -      | 1,100  | -       | - | - | 1,515   | -       | -       |
| Bank Charges                                   |    | -       | -      | -      | 500    | 1,000   | - | - | 1,000   | -       | -       |
| Internal and Software Expenses                 |    | -       | -      | -      | 543    | 2,513   | - | - | 2,070   | -       | -       |
| Fuel   |    | -       | -      | -      | 2,400  | -       | - | - | -       | -       | -       |
| Total 'Other' Expenditure                      | 1  | 125,520 | 75,777 | 86,561 | 51,349 | 35,434  | - | - | 37,389  | 35,407  | 41,575  |
| By Expenditure Item                            |    |         |        |        |        |         |   |   |         |         |         |
| Employee related costs                         | 8  | 4,115   | -      | -      | -      | -       | - | - | -       | -       | -       |
| Other materials                                |    | -       | -      | 10,057 | 7,233  | 7,446   | - | - | 6,118   | 6,445   | 6,603   |
| Contractor Services                            |    | 3,515   | 8,898  | -      | 29,542 | 4,976   | - | - | 3,215   | 3,388   | 3,575   |
| Other Expenditure                              |    | 14,745  | 21,712 | -      | -      | -       | - | - | -       | -       | -       |
| Total Repairs and Maintenance Expenditure      | 9  | 22,175  | 30,610 | 18,617 | 36,785 | 12,422  | - | - | 9,333   | 9,837   | 10,578  |
| check  |    | -       | -      | -      | (0)    | 0       | - | - | -       | -       | -       |

#### References

1. Must reconcile with Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries
3. Include other categories where revenue or expenditure is of a material nature (Not separate items until General expenses is not > 10% of Total Expenditure)
4. Expenditure to meet any unfunded obligations
5. The sub-total must agree with the total on SA22, but excluding councillor and board member items
6. Include a note for each revenue item that is affected by 'revenue foregone'
7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)

8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP item that will be spent on Repairs and Maintenance.
9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table S43Mc.
10. Only applicable to municipalities that have adopted the 'valuation method' in GRAP 17. The aim is to prevent overstating 'depreciation and impairment'.

NC452 Gx-Sepoyana - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and desc.)

| Description  | Rat | Vote 1 -<br>EXECUTIVE &<br>COUNCIL | Vote 2 -<br>FINANCE AND<br>ADMINISTRATI<br>ON | Vote 3 -<br>COMMUNITY<br>AND SOCIAL<br>SERVICES | Vote 4 -<br>SPORTS &<br>RECREATION | Vote 5 -<br>PUBLIC<br>SAFETY | Vote 6 -<br>PLANNING<br>AND<br>DEVELOPME<br>N | Vote 7 - ROAD<br>TRANSPORT | Vote 8 -<br>ENVIRONMEN<br>TAL<br>PROTECTION | Vote 9 -<br>ENERGY<br>SOURCES | Vote 10 -<br>WATER<br>MANAGEMENT<br>↑ | Vote 11 -<br>WASTE<br>WATER<br>MANAGEMENT<br>↑ | Vote 12 -<br>WASTE<br>MANAGEMENT<br>↑ | Vote 13 -<br>OTHER | Vote 14 -<br>(NAME OF<br>VOTE 14) | Vote 15 -<br>(NAME OF<br>VOTE 15) | Total    |
|--|-----|------------------------------------|---|---|------------------------------------|------------------------------|---|----------------------------|---|-------------------------------|---------------------------------------|--|---------------------------------------|--------------------|-----------------------------------|-----------------------------------|----------|
| R thousand   | 1   |                                    |   |   |                                    |                              |   |                            |   |                               |                                       |  |                                       |                    |                                   |                                   |          |
| <b>Revenue By Source</b>   |     |                                    |   |   |                                    |                              |   |                            |   |                               |                                       |  |                                       |                    |                                   |                                   |          |
| Property rates   |     | —                                  | 47,544  | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | 47,544   |
| Service charges - electricity revenue                                |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | 54,810                        | —                                     | —  | —                                     | —                  | —                                 | —                                 | 54,810   |
| Service charges - water revenue                                      |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | 19,544                                | —  | —                                     | —                  | —                                 | —                                 | 19,544   |
| Service charges - sanitation revenue                                 |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | 8,570  | —                                     | —                  | —                                 | —                                 | 8,570    |
| Service charges - refuse revenue                                     |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | 8,956                                 | —                  | —                                 | —                                 | 8,956    |
| Service charges - other  |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | —        |
| Rental of facilities and equipment                                   |     | —                                  | —   | 193   | 337                                | —                            | 200   | —                          | —   | —                             | —                                     | —  | —                                     | 88                 | —                                 | —                                 | 705      |
| Interest earned - external investments                               |     | —                                  | 2,692   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | 2,692    |
| Interest earned - outstanding debtors                                |     | —                                  | 8,103   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | 8,100    |
| Dividends received   |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | —        |
| Fees, penalties and forfeits   |     | —                                  | —   | 2   | —                                  | —                            | —   | 1,300                      | 7   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | 1,309    |
| Licences and permits   |     | —                                  | —   | —   | —                                  | —                            | 8   | 5,728                      | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | 5,728    |
| Agency services  |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | —        |
| Other revenue  |     | —                                  | 237   | 74  | 180                                | —                            | 3,881   | 250                        | —   | 18                            | —                                     | —  | —                                     | —                  | —                                 | —                                 | 4,779    |
| Transfers and subsidies  |     | 6,120                              | 9,780   | 2,421   | 1,000                              | 500                          | 7,000   | 3,300                      | 300   | 48,000                        | 30,000                                | 27,158   | 21,000                                | —                  | —                                 | —                                 | 191,757  |
| Gains on disposal of PPE   |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | —        |
| <b>Total Revenue (including capital transfers and contributions)</b> |     | 6,120                              | 60,403  | 3,181   | 1,407                              | 500                          | 11,009  | 10,070                     | 307   | 143,837                       | 64,644                                | 35,725   | 28,855                                | 88                 | —                                 | —                                 | 351,722  |
| <b>Expenditure By Type</b>   |     |                                    |   |   |                                    |                              |   |                            |   |                               |                                       |  |                                       |                    |                                   |                                   |          |
| Employee related costs   |     | 2,830                              | 46,496  | 9,191   | 3,856                              | 2,568                        | 14,767  | 19,338                     | 151   | 5,775                         | 3,135                                 | 4,050  | 13,579                                | —                  | —                                 | —                                 | 125,785  |
| Remuneration of councillors  |     | 9,534                              | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | 9,534    |
| Data equipment   |     | —                                  | 40  | —   | —                                  | —                            | —   | —                          | —   | 30                            | 430                                   | 50   | 15                                    | —                  | —                                 | —                                 | 535      |
| Depreciation of asset impairment                                     |     | —                                  | 40,870  | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | 40,870   |
| Finance charges  |     | —                                  | 50  | —   | 34                                 | —                            | 217   | 754                        | 5   | 4,735                         | 550                                   | 114  | 10                                    | —                  | —                                 | —                                 | 5,414    |
| Buildings purchase   |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | 50,281                        | 25,023                                | —  | —                                     | —                  | —                                 | —                                 | 125,281  |
| Other materials  |     | 430                                | 3,700   | 530   | 750                                | 274                          | 714   | 900                        | 35  | 1,271                         | 250                                   | 120  | 115                                   | 45                 | —                                 | —                                 | 8,757    |
| Contracted services  |     | —                                  | 20,850  | —   | 100                                | —                            | 151   | 220                        | —   | —                             | —                                     | 11,611   | 2,510                                 | —                  | —                                 | —                                 | 42,552   |
| Transfers and subsidies  |     | —                                  | 50  | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | 50       |
| Other expenditure  |     | 1,542                              | 30,512  | 336   | 77                                 | 12                           | 3,854   | 271                        | 2   | 1,048                         | 114                                   | 55   | 34                                    | —                  | —                                 | —                                 | 37,583   |
| Loss on disposal of PPE  |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | —        |
| <b>Total Expenditure</b>   |     | 14,176                             | 121,571                                       | 10,137  | 4,247                              | 3,247                        | 19,273  | 20,796                     | 182   | 52,421                        | 29,449                                | 15,571   | 12,627                                | 45                 | —                                 | —                                 | 279,451  |
| <b>Surplus/(Deficit)</b>   |     | (8,056)                            | (61,168)                                      | (6,956)   | (1,840)                            | (2,747)                      | (8,264)                                       | (10,726)                   | (115)                                       | (8,584)                       | (35,495)                              | (15,784)                                       | (15,128)                              | (25)               | —                                 | —                                 | (17,729) |
| Transfers and subsidies - capital (procedural allocations)           |     | —                                  | —   | 7,095   | 12,045                             | —                            | —   | 36,327                     | —   | 1,000                         | 11,317                                | 33,683   | —                                     | —                  | —                                 | —                                 | 84,423   |
| Transfers and subsidies - capital (procedural allocations)           |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | —        |
| Transfers and subsidies - capital (procedural allocations)           |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | —        |
| Transfers and subsidies - capital (procedural allocations)           |     | —                                  | —   | —   | —                                  | —                            | —   | —                          | —   | —                             | —                                     | —  | —                                     | —                  | —                                 | —                                 | —        |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |     | (8,056)                            | (61,168)                                      | 606   | 3,885                              | (2,747)                      | (8,264)                                       | (15,994)                   | (115)                                       | (22,415)                      | (30,813)                              | (33,445)                                       | (15,128)                              | (25)               | —                                 | —                                 | (75,702) |

**Explanatory**

1. Separate columns to be based on municipal department structure

NC452 Ga-Segonyana - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

| WC452 Ga-Segonyana - Supporting Table SA3 Supporting detail to Budgeted Financial Position |     |                 |                 |                 |                      |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description  | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome |   |                        |                        |
| R thousand   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>ASSETS</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Call investment deposits</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Call deposits  |     | -               | 193             | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other current investments  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Call investment deposits</b>  | 2   | -               | 190             | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Consumer debtors</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Consumer debtors   |     | 21,778          | 25,754          | 33,005          | 41,454               | 29,641          | -                  | -                 | 28,641  | 31,242                 | 32,960                 |
| Less: Provision for debt impairment  |     | -               | -               | -               | (537)                | (537)           | -                  | -                 | (535)   | (554)                  | (595)                  |
| <b>Total Consumer debtors</b>  | 2   | 21,778          | 25,754          | 33,005          | 40,918               | 29,104          | -                  | -                 | 28,106  | 30,678                 | 32,365                 |
| <b>Debt impairment provision</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Balance at the beginning of the year   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Contributions to the provision   |     | 23,704          | -               | -               | (537)                | (537)           | -                  | -                 | (535)   | (554)                  | (595)                  |
| Bad debts written off  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Balance at end of year</b>  |     | 23,704          | -               | -               | (537)                | (537)           | -                  | -                 | (535)   | (554)                  | (595)                  |
| <b>Property, plant and equipment (PPE)</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| PPE at cost/valuation (excl. finance leases)   |     | 981,183         | 1,148,212       | 1,179,367       | 1,141,206            | 1,270,347       | -                  | -                 | 1,279,413   | 1,416,097              | 1,508,490              |
| Leases recognised as PPE   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Less: Accumulated depreciation   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Property, plant and equipment (PPE)</b>   | 2   | 981,183         | 1,148,212       | 1,179,367       | 1,141,206            | 1,270,347       | -                  | -                 | 1,279,413   | 1,416,097              | 1,508,490              |
| <b>LIABILITIES</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Current liabilities - Borrowing</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans (other than bank overdraft)   |     | -               | -               | -               | 5,948                | 5,948           | -                  | -                 | -   | -                      | -                      |
| Current portion of long-term liabilities   |     | 2,916           | 5,948           | 8,264           | -                    | -               | -                  | -                 | 5,948   | 5,948                  | 5,948                  |
| <b>Total Current liabilities - Borrowing</b>   |     | 2,916           | 5,948           | 8,264           | 5,948                | 5,948           | -                  | -                 | 5,948   | 5,948                  | 5,948                  |
| <b>Trade and other payables</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Trade and other creditors  |     | 46,293          | 107,046         | 124,876         | 18,157               | 83,157          | -                  | -                 | 54,657  | 45,897                 | 45,897                 |
| Unspent conditional transfers  |     | 7,944           | 8,911           | 18,493          | -                    | -               | -                  | -                 | -   | -                      | -                      |
| VAT  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Trade and other payables</b>  | 2   | 54,235          | 115,957         | 143,368         | 18,157               | 83,157          | -                  | -                 | 54,657  | 45,897                 | 45,897                 |
| <b>Non current liabilities - Borrowing</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing  |     | 22,461          | 21,115          | 17,487          | 20,453               | 20,453          | -                  | -                 | 16,898  | -                      | -                      |
| Finance leases (including PPP asset element)   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Non current liabilities - Borrowing</b>   | 4   | 22,461          | 21,115          | 17,487          | 20,453               | 20,453          | -                  | -                 | 16,898  | -                      | -                      |
| <b>Provisions - non-current</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Retirement benefits  |     | -               | -               | -               | 530                  | 29,530          | -                  | -                 | 25,530  | -                      | -                      |
| List other major provision items   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Refuse landfill site rehabilitation  |     | -               | -               | -               | -                    | 8,752           | -                  | -                 | 8,752   | 9,225                  | 9,732                  |
| Other  |     | 33,557          | 32,839          | 28,295          | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Provisions - non-current</b>  |     | 33,557          | 32,839          | 28,295          | 530                  | 35,282          | -                  | -                 | 35,282  | 9,225                  | 9,732                  |
| <b>CHANGES IN NET ASSETS</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Accumulated Surplus/(Deficit)</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Accumulated Surplus/(Deficit) - opening balance  |     | 888,738         | 920,867         | -               | 1,093,035            | 1,141,081       | -                  | -                 | -   | -                      | -                      |
| GRAP adjustments   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Restated balance   |     | 888,738         | 920,867         | -               | 1,093,035            | 1,141,081       | -                  | -                 | -   | -                      | -                      |
| Surplus/(Deficit)  |     | 32,102          | 22,967          | 37,502          | 95,764               | 55,590          | -                  | -                 | 76,703  | 117,835                | 72,343                 |
| Appropriations to Reserves   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Transfers from Reserves  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Depreciation offsets   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other adjustments  |     | -               | -               | -               | 85,764               | 95,764          | -                  | -                 | -   | -                      | -                      |
| <b>Accumulated Surplus/(Deficit)</b>   | 1   | 920,841         | 943,874         | 37,502          | 1,284,553            | 1,292,435       | -                  | -                 | 76,703  | 117,835                | 72,343                 |
| <b>Reserves</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Housing Development Fund   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Capital replacement  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Self-insurance   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other reserves   |     | 20,837          | 15,185          | 14,835          | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Revaluation  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Reserves</b>  | 2   | 20,837          | 15,185          | 14,835          | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>   | 2   | 941,678         | 959,059         | 52,338          | 1,284,553            | 1,292,435       | -                  | -                 | 76,703  | 117,835                | 72,343                 |

Total capital expenditure includes expenditure on nationally significant priorities:

|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|
| Total capital expenditure includes expenditure on nationally significant priorities. |  |  |  |  |  |  |  |  |
| Provision of basic services  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

NC452 Ga-Segonyana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

| Strategic Objective   | Goal  | Goal Code  | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |         |
|---|---|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|---------|
|   |   |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |         |
|   |   |  |     | R thousand      |                 |                 |                      |                 |                    |   |                        |                        |         |
| KPA 5: Good Governance and Public Participation   | Dissemination of information to the communities and stakeholders on duly issued that affect community on the ground as and when needed.   |  |     |                 |                 |                 | 60                   | 60              |                    | 675   | 922                    | 873                    |         |
|   | To continuously engage and provide appropriate service provision to the youth, children, elderly, people living with disabilities, people living with HIV/AIDS and other communicable diseases.   |  |     |                 |                 | 14,643          | 6,300                | 6,300           | 5,800              | 5,902   | 6,227                  |                        |         |
|   | To continuously curb corrupt behaviour through deterrence, prevention and education   |  |     |                 |                 | 12,953          | 15,484               | 106             | 100                | 500   | 527                    | 599                    |         |
|   | Cooperatively support the flow of and access to information through providing information and communication (ICT) support to ICT infrastructure   |  |     |                 |                 |                 | 500                  | 60              | 60                 | 500   | 527                    | 599                    |         |
|   | To implement the SDW policy   |  |     |                 |                 |                 |                      | 300             | 153                | 153   | 505                    | 532                    | 552     |
| KPA 4: Local Economic Development   | To create a platform for economic growth opportunities and job creation through continuous promotion of Ga-Segonyana as local investment destination.   |  |     |                 | 10,561          | 23,210          | 200                  | 2,200           | 2,200              | 500   | 500                    | 523                    |         |
|   | To continuously provide support to SMMEs by offering training and assistance in order for them to grow and be viable - To continuously monitor compliance of businesses with business Act, by laws and policies - To create greater awareness amongst community members, stakeholders about the importance of tourism and the promotion thereof on quarterly basis    |  |     |                 |                 |                 | 300                  | 140             | 140                | 505   | 538                    | 518                    |         |
|   | To continuously provide camping space and amenities as well as resort and leisure facilities that are in good condition - To continuously preserve, maintain and collect revenue related to the Kharmer Eye   |  |     |                 |                 |                 | 160                  | 1,272           | 1,272              | 987   | 988                    | 1,242                  |         |
|   | KPA 3: Financial Viability and Management   | To have a complete, reliable, measurable and GRAP compliant local asset register |     |                 |                 |                 | 1,808                | 260             | 260                | 100   | 123                    | 111                    |         |
|   | To compile a budget and local tax budget annually for approval by Council by the end of May each year - To ensure 100% compliance annually to regulatory prescribed financial report requirements - To collect 60% of outstanding debt by 2022 - Capacitate the debt collection unit by constantly sending them to refresher courses - To increase revenue by 10% p.a |  |     |                 |                 | 19,356          | 41,356               | 500             | 47,075             | 47,075  | 58,625                 | 61,732                 | 65,160  |
|   |   |  |     |                 |                 |                 | 51,460               | 2,491           | 2,491              | 503   | 527                    | 558                    |         |
| KPA 2: Basic Services and Infrastructure Development  | Continuously maintain and upgrade parks and open areas to acceptable environmental standard   |  |     |                 | 22,905          | 17,122          | 500                  | 220             | 220                | 503   | 527                    | 550                    |         |
|   | To provide and maintain burial space at all times   |  |     |                 | 32              | 32              | 342                  | 230             | 230                | 542   | 571                    | 603                    |         |
|   | To establish fully functional disaster centre by 2020   |  |     |                 |                 |                 | 500                  | 65              | 65                 | 303   | 318                    | 334                    |         |
|   | Provision of basic level of services to 90 households in 2018/19 Financial year (electricity) - Service all existing substation and transformers every 5 years - Replace 5km dysfunctional electrical cabling by 2022   |  |     |                 |                 | 104,303         | 108,586              | 144,837         | 140,619            | 140,619   | 144,337                | 152,128                | 161,654 |
|   | To establish fully functional fire services by 2020   |  |     |                 |                 |                 | 500                  | 70              | 70                 | 500   | 527                    | 550                    |         |
|   | Replace the existing feed by 2016. Seek funding sponsorship from feed owners  |  |     |                 |                 | 112,451         | 64,694               | -               | -                  | -   | -                      | -                      |         |
|   | Finance ongoing accountability in handling and issuing material and provide working environment for studios (Listened)  |  |     |                 |                 | 16,273          | 7,428                | 1,671           | 1,671              | 1,855   | 1,565                  | 2,073                  |         |
|   |   |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |         |
|   | To continuously ensure that we have a more worthy and to regulate vehicle and other licenses in an efficient and professional manner - To upgrade 35.85 km main gravel roads to paved standard by 2022  |  |     |                 |                 |                 |                      | 25,644          | 48,796             | 48,796  | 40,401                 | 42,582                 | 44,924  |
|   | To continuously maintain municipal buildings within the constraints of the approved municipal budget  |  |     |                 |                 |                 |                      | 3,160           | 3,160              |   | 10,733                 | 11,218                 | 11,842  |
| Continuously adhering to call outs from customers to ensure public safety   |   |  |     |                 |                 | 25,765          | 26,754               | 21,678          | 22,061             | 60,416  | 72,166                 | 77,190                 |         |
| To continuously provide professional security services  |   |  |     |                 |                 |                 | -                    | -               |                    | -   | -                      | -                      |         |
| Maintenance of parks and sports grounds to an acceptable environmental standard annually  |   |  |     |                 | 2,514           | 26,751          | 500                  | 100             | 100                | 11,255  | 11,694                 | 12,337                 |         |
| To provide weekly kerbside waste removal services to residential, schools, industrial and commercial sites (3 times a week) in Kharman town, Wrenchville and Mochilid   |   |  |     |                 | 24,031          | 27,645          | 32,201               | 34,050          | 34,050             | 28,666  | 31,574                 | 33,310                 |         |
| To supply at least basic water services to all households in the municipality area by 2022 - To supply water to communities with minimum disruption - To provide water that is clean and safe for consumption |   |  |     |                 |                 |                 | 112,389              | 65,640          | 65,640             | 66,202  | 103,850                | 80,733                 |         |
| The development of business plans and subvention thereof to further within specified timeframe in order to provide sustainable infrastructure to all communities through - To continuously comply to SPLUMA   |   |  |     |                 |                 |                 | 2,500                | 11,168          | 11,168             | 4,380   | 4,285                  | 4,848                  |         |
| KPA 1: Institutional Transformation and Development   | To ensure that there is a healthy and safe workplace by implementing provisions of the Health and Safety Act and policy   |  |     |                 |                 | 104             | 107                  | 700             | 200                | 200   | 5,700                  | 3,900                  | 4,114   |
|   | To ensure that the best land sites are approved at all times in line with the sustainable policy - Adherence to the Sales Development Act and related regulations at all times  |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |         |
|   | To ensure labour peace and productivity by maintaining continuous engagements with staff or organized labour  |  |     |                 |                 | 324             | 384                  | 500             | 1,590              | 1,090   | 2,132                  | 2,869                  | 2,818   |
| Allocations to other priorities   |   |  |     | 2               |                 |                 |                      |                 |                    |   |                        |                        |         |
| Total Revenue (including capital transfers and contributions)   |   |  |     | 1               | 374,340         | 388,157         | 426,313              | 426,252         | 410,757            | -   | 456,154                | 517,777                | 454,281 |
| Reconciliation  |   |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |         |
| 1. Total revenue must reconcile to Table A of Budgeted Financial Performance (revenue and expenditure)  |   |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |         |
| 2. Balance of allocations not directly linked to an IDP strategic objective   |   |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |         |
| check of revenue balance  |   |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |         |
|   |   |  |     | -               | (16)            | (1,721)         | 30                   | -               | -                  | -   | -                      | 5                      |         |

NC452 Gw-Segonyane - Supporting Table SAS Reconciliation of IDP strategic objectives and budget (operating expenditure)

| 4452 Gw-Segonyane - Supporting Table SAS Reconciliation of IDP strategic objectives and budget (operating expenditure) |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
|--|---|-----------|-----|----------------|----------------|----------------|----------------------|-----------------|--------------------|--|------------------------|------------------------|---------|
| Strategic Objective  | Goal  | Goal Date | Ref | 2019/20        | 2019/20        | 2019/20        | Current Year 2020/21 |                 |                    | 2019/20 Medium Term Review & Expenditure Framework |                        |                        |         |
|  |   |           |     | Actual Outcome | Actual Outcome | Actual Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2019/20                                | Budget Year +1 2020/21 | Budget Year +2 2021/22 |         |
| <b>IF: Economic</b>  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| SAS 3: Good Governance and Public Participation  | Dissemination of information to the community of all responsibilities or calls to action that affect community of the ground as and when needed.  |           |     | –              | –              | –              | 1,302                | 1,302           | –                  | 1,008  | 1,002                  | 1,122                  |         |
|  | To continuously engage and provide appropriate service provision to the poor, children, elderly, people living with disabilities, people living with HIV/AIDS and other vulnerable groups.  |           |     | 16,963         | 16,243         | 16,113         | 11,336               | 11,834          | –                  | 11,372   | 11,888                 | 12,347                 |         |
|  | To continuously work on compliance through deterrence, prevention and education.  |           |     | 3,402          | 3,402          | 2,346          | 2,382                | 2,314           | –                  | 2,637  | 2,364                  | 3,119                  |         |
|  | Continuously support the flow of and access to information through providing information and communication (ICT) support to ICT infrastructure.   |           |     | –              | –              | –              | 2,773                | 4,214           | –                  | 4,155  | 4,421                  | 4,664                  |         |
|  | To implement the SCM policy.  |           |     | –              | –              | –              | 4,901                | 3,348           | –                  | 3,382  | 3,229                  | 3,406                  |         |
| SAS 4: Local Economic Development  | To create a platform for economic growth opportunities and provision through continuous promotion of Gw-Segonyane as local investment destination.  |           |     | 1,000          | 1,000          | –              | 7,157                | 1,026           | –                  | 2,034  | 2,166                  | 2,343                  |         |
|  | To continuously provide support to SMEs by offering training and assistance in order for them to grow and be viable. To continuously monitor compliance of businesses with Business Act, by-laws and policies. To ensure proper and timely through community members' stakeholders about the importance of tourism and the promotion thereof. |           |     | 1,000          | 1,000          | –              | 1,000                | 1,000           | –                  | 1,000  | 1,000                  | 1,000                  |         |
|  | To continuously provide camping areas and facilities as well as picnic tables and facilities that are in good condition. To continuously preserve, maintain and collect revenue related to the tourism site.  |           |     | 4,207          | 2,301          | 6,705          | 2,655                | 2,583           | –                  | 2,105  | 2,284                  | 2,378                  |         |
| SAS 5: Finance/Money and Management  | To have a complete, reliable, measurable and ORAT compliant local score register.   |           |     | –              | –              | –              | 55,034               | 55,486          | –                  | 70,435   | 74,307                 | 78,288                 |         |
|  | To compile a budget and realistic budget as easily as approved by Council by the end of May each year. To ensure 100% compliance annually to legislative prescribed financial report requirements.  |           |     | 50,069         | 50,069         | 50,069         | 24,231               | 41,220          | –                  | 34,769   | 38,854                 | 38,881                 |         |
|  | To collect 80% of outstanding debt by 2022. To ensure the local collection and by continuously sending them to relevant sources. To increase revenue by 15% p.a.  |           |     | –              | –              | –              | 7,660                | 8,661           | –                  | 9,702  | 7,159                  | 7,548                  |         |
| SAS 6: Basic Services and Infrastructure Development   | Continuously maintain and upgrade parks and open areas to acceptable environmental standard.  |           |     | 8,106          | 8,151          | –              | 6,071                | 6,778           | –                  | 6,826  | 8,254                  | 8,733                  |         |
|  | To provide and maintain toilet stands at all times.   |           |     | 1,020          | 1,020          | 869            | 1,728                | 1,701           | –                  | 1,617  | 1,616                  | 1,603                  |         |
|  | To establish fully functional disaster centre by 2022.  |           |     | 463            | 463            | –              | 821                  | 746             | –                  | 725  | 764                    | 806                    |         |
|  | Provision of basic level of services to 57 households in 2019/20 Financial year (electricity) – Services at existing 57 households and transformers every 5 years – Replace three electrical electrical cables by 2022.   |           |     | 71,403         | 59,152         | 169,756        | 82,682               | 87,225          | –                  | 82,421   | 87,412                 | 102,770                |         |
|  | To establish fully functional fire services by 2023.  |           |     | 2,206          | 4,206          | 1,753          | 2,251                | 1,664           | –                  | 2,247  | 2,422                  | 2,611                  |         |
|  | Replace the existing fleet by 2018. Seek funding opportunities from other sources.  |           |     | –              | –              | –              | 11,103               | 10,750          | –                  | 12,148   | 12,682                 | 13,906                 |         |
|  | Ensure ongoing accessibility to reading and learning material and provide reading environment for studies (libraries).  |           |     | 6,619          | 6,083          | 7,204          | 6,670                | 6,547           | –                  | 7,538  | 7,822                  | 8,188                  |         |
|  | To continuously ensure that vehicles are road worthy and in regular condition and to ensure that all vehicles are efficient and professional manner. To improve 20% of main grade roads to paved standard by 2022.  |           |     | 44,363         | 48,866         | 53,836         | 26,023               | 17,781          | –                  | 26,746   | 21,875                 | 23,125                 |         |
|  | To continuously maintain municipal buildings within the constraints of the approved municipal budget.   |           |     | 27,402         | 18,430         | 46,747         | 6,071                | 6,212           | –                  | 7,522  | 7,634                  | 8,371                  |         |
|  | Continuously addressing to all users from customers to ensure safety levels.  |           |     | 6,234          | 10,085         | 10,457         | 8,202                | 22,594          | –                  | 15,371   | 10,304                 | 17,728                 |         |
|  | To continuously provide professional security services.   |           |     | –              | –              | –              | 6,237                | 7,247           | –                  | 7,632  | 8,388                  | 8,822                  |         |
|  | Maintenance of fence and waste grounds to an acceptable environmental standard annually.  |           |     | 1,052          | –              | –              | 680                  | 1,022           | –                  | 617  | 485                    | 464                    |         |
|  | To provide weekly refuse removal services to residential, schools, industrial and commercial sites (7 times a week) in Gw-Segonyane, Wardville and Middelburg.  |           |     | 12,362         | 18,536         | 12,627         | 13,025               | 12,062          | –                  | 13,527   | 14,074                 | 15,376                 |         |
|  | To supply at least basic water services to all households in the municipal area by 2022. To supply water to communities with minimum disruption. To provide water that is clean and safe for consumption.   |           |     | 44,186         | 62,185         | 40,018         | 25,915               | 33,447          | –                  | 32,448   | 34,301                 | 36,622                 |         |
|  | To develop and implement plans and submission thereof to tender within specified timeframe in order to provide sustainable infrastructure to all communities through. To continuously improve the SPLUM.  |           |     | 6,049          | 6,149          | 16,372         | 6,496                | 5,437           | –                  | 6,611  | 6,128                  | 6,462                  |         |
| SAS 7: Institutional Transformation and Development  | To ensure that there is a healthy and safe workplace by improving provision of the Health and Safety Act and policy. To ensure that the best candidates are appointed and trained in line with the recruitment policy. To ensure that the Skills Development Act and related regulations of all times.  |           |     | –              | –              | –              | 6,632                | 8,225           | –                  | 7,781  | 8,211                  | 8,943                  |         |
|  | To ensure labour peace and productivity by maintaining continuous engagements with staff or organised labour.   |           |     | –              | –              | –              | 4,363                | 5,064           | –                  | 3,372  | 3,264                  | 3,742                  |         |
| Allocations to other priorities  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     | 1              | 342,239        | 389,086        | 343,510              | 325,486         | 362,117            | –  | 378,681                | 398,941                | 421,438 |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Income   |   |           |     |                |                |                |                      |                 |                    |  |                        |                        |         |
| Total Expenditure  |   |           |     |                |                | </             |                      |                 |                    |  |                        |                        |         |

NC452 Co-Dependence - Supporting Table S40 Reconciliation of IDP strategic objectives and budget (capital expenditure)

| KPMG Sri Lanka - Supporting Table A1: Achievement of the strategic objectives and budget (capital expenditure) |   |           |     |                |                |                |                       |                 |                    |   |                        |                        |
|--|---|-----------|-----|----------------|----------------|----------------|-----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Strategic Objective  | Goal  | Goal Code | Ref | 2014/15        | 2015/16        | 2016/17        | Current Year: 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|  |   |           |     | Actual Outcome | Actual Outcome | Actual Outcome | Original Budget       | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| IT Increase  |   |           |     |                |                |                |                       |                 |                    |   |                        |                        |
| KPA 5: Good Governance and Public Participation  | Demonstration of information is the communication and dissemination on daily basis that affect connectivity of the public as and when needed.   | A         |     | 550            | 340            | 20             | -                     | -               | -                  | -   | -                      |                        |
|  | To continuously engage and provide appropriate services provision to the youth, children, elderly, people living with disabilities, people living with HIV/AIDS and other communicable diseases.  | B         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  | To continuously create and strengthen through education, prevention and education.  | C         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  | Continually support the flow of access to information through providing information and communication (ICT) support to ICT infrastructure.  | D         |     | 55             | 137            | 400            | -                     | 120             | -                  | 1,011   | -                      |                        |
|  | To implement the e-Gov policy.  | E         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
| KPA 4: Local Economic Development  | To create a platform for economic growth opportunities and obtained on through continuous provision of 50-60 projects at local government districts.  | F         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  | To continuously provide support to SMEs by offering training and assistance in order to them to grow and develop. - To continuously monitor compliance of businesses with Business Act, bylaws and policies. - To create greater awareness amongst community members, stakeholders about the importance of tourism and  | G         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  | To continuously provide support to small and medium enterprises and business facilities that are in poor condition. - To continuously preserve, maintain and develop resources related to the tourism.  | H         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
| KPA 3: Financial Viability and Management  | To have complete, reliable, measurable and G2AT compliant financial statement.  | I         |     | 6,500          | 479            | 266            | 290                   | 230             | -                  | 365   | -                      |                        |
|  | To complete a budget and the budget annually, for approval by Council by the end of May each year. - To ensure 100% compliance annually to regulatory provisions related to financial statements.   | J         |     | -              | -              | -              | -                     | -               | -                  | 22  | -                      |                        |
|  | To ensure 80% of outstanding debt by 2022. - Capital Expenditure collection rate by Council exceeding 80% is relative success. - To increase revenue by 10% p.a.  | K         |     | -              | -              | -              | -                     | -               | -                  | 22  | -                      |                        |
| KPA 2: Basic Services and Infrastructure Development   | Continuously monitor and upgrade services and cover areas to acceptable environmental standard.   | L         |     | -              | -              | -              | 240                   | 100             | -                  | 1,000   | -                      |                        |
|  | To provide and maintain public toilets at all time.   | M         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  | To establish key functional order centre by 2020.   | N         |     | -              | -              | -              | -                     | -               | -                  | 22  | -                      |                        |
|  | Provision of basic level of services to 50 households in 2018/19 financial year (priority) - Services all water supply and sewerage services every 2 years. Services from dysfunctional sewerage system by 2020.  | O         |     | -              | 1,500          | 1,181          | 6,370                 | 5,200           | -                  | 1,000   | -                      |                        |
|  | To maintain key functional order centre by 2020.  | P         |     | -              | -              | -              | -                     | -               | -                  | 640   | 24,000                 |                        |
|  | Replace the existing fuel by 2018. Seek funding approach from local council.  | Q         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  | Ensure ongoing accessibility to coding and learning music and provide enabling environment for student learning.  | R         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  | To continuously ensure that services are provided by and to regulate services and provide services in a timely and professional manner. - To provide 35.00 km daily growth water to power station by 2020.  | S         |     | 10,300         | 20,700         | 20,800         | 40,160                | 34,160          | -                  | 30,277  | 16,473                 |                        |
|  | To continuously monitor municipal buildings within the constraints of the approved municipal budget.  | T         |     | 7,106          | 2,430          | 1,534          | 3,070                 | 5,070           | -                  | 5,297   | 869                    |                        |
|  | Continuously adhering to call out from customers to supply supply paper.  | U         |     | 8,084          | 11,000         | -              | 5,221                 | -               | -                  | 32,560  | 11,180                 |                        |
| KPA 1: Institutional Transformation and Development  | To continuously provide professional security services.   | V         |     | -              | -              | -              | -                     | -               | -                  | 500   | -                      |                        |
|  | Alteration of ponds and sports grounds to an acceptable environmental standard annually.  | W         |     | -              | -              | -              | -                     | -               | -                  | 10,545  | -                      |                        |
|  | To provide weekly refuse collection services for residential, schools, medical and commercial areas (2 times a week) in Kurumbalur, Muthukudam and Muthukudam.  | X         |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  | To supply all water based services to all households in the municipal area by 2020. - To supply water to communities with water supply disruption. To provide water from open and safe for consumption.   | Y         |     | 19,331         | 66,880         | 67,880         | 35,910                | 36,210          | -                  | 11,317  | 65,834                 |                        |
|  | The development of business plans and business development to provide value specified investment in order to provide sustainable infrastructure to all communities through. - To continuously comply to OHSWA.  | Z         |     | 5,670          | -              | 180            | -                     | -               | -                  | -   | -                      |                        |
| KPA 6: Institutional Transformation and Development  | To ensure that there is a healthy and safe working environment for provision of the health and safety and quality. - To ensure that the best practices are applied at all times in line with the institutional policy. - Adherence to the Sustainable Development Act and related regulations in all time. - To ensure about people and productivity by maintaining continuous engagements with staff to organized labor. | AA        |     | -              | -              | -              | 2,940                 | 11,900          | -                  | 47  | -                      |                        |
|  |   | AB        |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  |   | AC        |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
|  |   | AD        |     | -              | -              | -              | -                     | -               | -                  | -   | -                      |                        |
| All together to other priorities   |   |           |     | 3              |                |                |                       |                 |                    |   |                        |                        |
| Total Capital Expenditure  |   |           |     |                | 105,287        | 119,384        | 102,527               | 95,290          | 96,880             | -   | 100,176                | 120,964                |



NC452 Ga-Segonyana - Supporting Table SA7 Measureable performance objectives

| Description  | Unit of measurement | 2014/15         | 2015/16         | 2016/17         | Original Budget |
|--|---------------------|-----------------|-----------------|-----------------|-----------------|
|  |                     | Audited Outcome | Audited Outcome | Audited Outcome |                 |
| <b>KPA 1: INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT</b>                                       |                     |                 |                 |                 |                 |
| Function - Human Resource  |                     |                 |                 |                 |                 |
| Approved 2015/2016 HR Strategy   | Number              |                 |                 |                 | 1               |
| Approved Organogram by June  | Number              |                 |                 |                 | 1               |
| Function - INFORMATION TECHNOLOGY  |                     |                 |                 |                 |                 |
| 2 ICT policies reviewed by June  | Number              |                 |                 |                 | 2               |
| <b>KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>                              |                     |                 |                 |                 |                 |
| Function - DISASTER MANAGEMENT   |                     |                 |                 |                 |                 |
| Disaster inspections conducted by June 2017  | Number              |                 |                 |                 | 40              |
| Prevention disaster awareness campaigns held by June   | Number              |                 |                 |                 | 4               |
| Function - FIRE  |                     |                 |                 |                 |                 |
| Prevention fire awareness campaigns held by June   | Number              |                 |                 |                 | 6               |
| fire inspections conducted by June   | Number              |                 |                 |                 | 6               |
| Function - LIBRARY   |                     |                 |                 |                 |                 |
| Library campaigns conducted by end of June   | Number              |                 |                 |                 | 32              |
| Function - SPORTS GROUND   |                     |                 |                 |                 |                 |
| reports on activities on maintenance of sports grounds by end of June                            | Number              |                 |                 |                 | 4               |
| Function - WASTE MANAGEMENT  |                     |                 |                 |                 |                 |
| Households in wards 1, 3 and 13 with access to minimum standard of refuse removal by end of June | Number              |                 |                 |                 | 14000           |
| waste awareness campaigns held by June   | Number              |                 |                 |                 | 4               |
| clean-up campaigns conducted by June   | Number              |                 |                 |                 | 4               |
| Function - ROADS   |                     |                 |                 |                 |                 |
| Tarred road revealed by end of June  | km                  |                 |                 |                 | 3               |
| Access road surfaced/paved by June   | km                  |                 |                 |                 | 6               |
| Function - WATER MANAGEMENT  |                     |                 |                 |                 |                 |
| Laboratory reports on effluent at waste water treatment plants conducted by June                 | Number              |                 |                 |                 | 12              |
| Reports of number of households provided with full water borne by June                           | Number              |                 |                 |                 | 4               |
| New households provided with access to basic level of sanitation by end of June                  | Number              |                 |                 |                 | 400             |
| <b>KPA 3: FINANCIAL VIABILITY AND MANAGEMENT</b>   |                     |                 |                 |                 |                 |
| Function - ASSET MANAGEMENT  |                     |                 |                 |                 |                 |
| Reports on asset verifications by June   | Number              |                 |                 |                 | 2               |
| Asset reconciliations reports submitted to the Municipal Manager by end of June                  | Number              |                 |                 |                 | 12              |
| Function - BUDGET AND TREASURY OFFICE  |                     |                 |                 |                 |                 |
| Section (71) reports submitted to the Mayor and Provincial Treasury by end June                  | Number              |                 |                 |                 | 12              |
| Annual financial Statements submitted to the Auditor General by end of August                    | Number              |                 |                 |                 | 1               |
| Performance and budget reports (s52a) submitted to council by June                               | Number              |                 |                 |                 | 4               |
| Annual Budget submitted to Council for approval by end of May                                    | Number              |                 |                 |                 | 1               |
| <b>KPA 4: LOCAL ECONOMIC DEVELOPMENT</b>   |                     |                 |                 |                 |                 |
| Function - CORPORATE WIDE STRATEGIC PLANNING   |                     |                 |                 |                 |                 |
| Jobs created through municipal capital projects by June  | Number              |                 |                 |                 | 467             |
| SMME training held by June   | Number              |                 |                 |                 | 4               |
| Reports on number of visitors and revenue generated from 1 <sup>st</sup> eye                     | Number              |                 |                 |                 | 4               |
| <b>KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>   |                     |                 |                 |                 |                 |
| Function - MAYOR AND COUNCIL   |                     |                 |                 |                 |                 |
| Council meetings held  | Number              |                 |                 |                 | 4               |
| Function - LEGAL SERVICES  |                     |                 |                 |                 |                 |
| By-Laws Submitted to council for approval by June  | Number              |                 |                 |                 | 6               |

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b)).

2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities.

3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s.

NC452 Ga-Segonyana - Entities measureable performance objectives

| Description  | Unit of measurement | 2014/15         | 2015/16         | 2016/17         | Original Budget |
|--|---------------------|-----------------|-----------------|-----------------|-----------------|
|  |                     | Audited Outcome | Audited Outcome | Audited Outcome |                 |
| Entity 1 - (name of entity)                                  |                     |                 |                 |                 |                 |
| Insert measure's description                                 |                     |                 |                 |                 |                 |
|  |                     |                 |                 |                 |                 |
| Entity 2 - (name of entity)                                  |                     |                 |                 |                 |                 |
| KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT |                     |                 |                 |                 |                 |
|  |                     |                 |                 |                 |                 |
| Entity 3 - (name of entity)                                  |                     |                 |                 |                 |                 |
| KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT |                     |                 |                 |                 |                 |
|  |                     |                 |                 |                 |                 |
| And so on for the rest of the Entities                       |                     |                 |                 |                 |                 |

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s27(5)(d))  
2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

NC452 Ga-Segonyana - Supporting Table SA8 Performance indicators and benchmarks

| Description of financial indicator   |  | Basis of calculation |          | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|--|----------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |  |                      |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b><u>Borrowing Management</u></b>   |  |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Credit Rating  |  |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital Charges to Operating Expenditure                                       | Interest & Principal Paid /Operating Expenditure   | 2.2%                 | 1.5%     | 1.3%            | 2.3%            | 3.6%            | 3.0%                 | 0.0%            | 0.0%               | 2.0%              | 1.4%  | 1.4%                   |                        |
| Capital Charges to Own Revenue   | Finance charges & Repayment of borrowing /Own Revenue  | 4.0%                 | 3.4%     | 2.6%            | 3.8%            | 7.0%            | 0.0%                 | 0.0%            | 0.0%               | 5.0%              | 2.7%  | 2.7%                   |                        |
| Borrowed funding of own capital expenditure                                    | Borrowing/Capital expenditure excl. transfers and grants and contributions                     | 0.0%                 | 133.2%   | 135.6%          | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   |                        |
| <b><u>Safety of Capital</u></b>  |  |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Gearing  | Long Term Borrowing/ Funds & Reserves  | 107.6%               | 136.0%   | 117.3%          | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   |                        |
| <b><u>Liquidity</u></b>  |  |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current Ratio  | Current assets/current liabilities   | 1.1                  | 0.8      | 0.8             | 3.0             | 1.1             | -                    | -               | 1.6                | 1.8               | 2.0   | 2.0                    |                        |
| Current Ratio adjusted for aged debtors  | Current assets less debtors > 90 days/current liabilities                                      | 1.1                  | 0.8      | 0.8             | 3.0             | 1.1             | -                    | -               | 1.6                | 1.8               | 2.0   | 2.0                    |                        |
| Liquidity Ratio  | Monetary Assets/Current Liabilities  | 0.0                  | 0.0      | 0.0             | -               | 0.0             | -                    | -               | 0.0                | 0.0               | 0.0   | 0.0                    |                        |
| <b><u>Revenue Management</u></b>   |  |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Annual Debtors Collection Rate (Payment Level %)                               | Last 12 Mths Receipts/Last 12 Mths Billing   |                      | 62.0%    | 101.7%          | 85.0%           | 60.0%           | 106.3%               | 0.0%            | 0.0%               | 80.1%             | 85.0%   | 85.0%                  |                        |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) |  | 62.0%                | 101.4%   | 88.0%           | 80.0%           | 81.4%           | 0.0%                 | 0.0%            | 65.0%              | 85.0%             | 85.0%   | 85.0%                  |                        |
| Outstanding Debtors to Revenue   | Total Outstanding Debtors to Annual Revenue  | 15.5%                | 15.6%    | 20.5%           | 21.2%           | 23.8%           | 0.0%                 | 0.0%            | 19.7%              | 16.8%             | 19.8%   | 19.8%                  |                        |
| Longstanding Debtors Recovered   | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old                                      |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b><u>Creditors Management</u></b>   |  |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Creditors System Efficiency  | % of Creditors Paid Within Terms (within MFMA's 65(e))   |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Creditors to Cash and Investments  |  | 7335.6%              | 20107.5% | 12582.0%        | 10206.3%        | 2196.7%         | 0.0%                 | 0.0%            | 3368.4%            | 2608.8%           | 2517.2%   | 2517.2%                |                        |
| <b><u>Other Indicators</u></b>   |  |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Electricity Distribution Losses (2)  | Total Volume Losses (kWh)  |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|  | Total Cost of Losses (Rand '000)   |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|  | % Volume (units purchased and generated less units sold)/units purchased and generated         |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Water Distribution Losses (2)  | Total Volume Losses (kl)   |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|  | Total Cost of Losses (Rand '000)   |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|  | % Volume (units purchased and generated less units sold)/units purchased and generated         |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee costs   | Employee costs/(Total Revenue - capital revenue)   | 31.3%                | 33.0%    | 31.7%           | 33.8%           | 32.2%           | 0.0%                 | 0.0%            | 34.8%              | 32.0%             | 35.0%   | 35.0%                  |                        |
| Remuneration   | Total remuneration/(Total Revenue - capital revenue)   | 33.7%                | 35.5%    | 34.1%           | 35.2%           | 34.9%           | 0.0%                 | 0.0%            | 37.6%              | 37.6%             | 37.6%   | 37.6%                  |                        |
| Repairs & Maintenance  | R&M/(Total Revenue excluding capital revenue)  | 7.7%                 | 10.3%    | 5.7%            | 11.1%           | 3.6%            | 0.0%                 | 0.0%            | 2.6%               | 2.6%              | 2.6%  | 2.6%                   |                        |
| Finance charges & Depreciation   | FC&D/(Total Revenue - capital revenue)   | 17.6%                | 18.1%    | 16.6%           | 11.7%           | 12.6%           | 0.0%                 | 0.0%            | 13.0%              | 13.5%             | 13.6%   | 13.6%                  |                        |
| <b><u>IDP regulation financial viability indicators</u></b>                    |  |                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| i. Debt coverage   | (Total Operating Revenue - Operating Grants)/(Debt service payments due within financial year) | 30.4                 | 19.5     | 19.6            | 13.3            | 13.3            | 13.3                 | -               | 16.1               | 16.1              | 17.0  | 17.0                   |                        |
| ii. O/S Service Debtors to Revenue   | Total outstanding service debtors/annual revenue received for services                         | 33.3%                | 38.1%    | 41.8%           | 41.0%           | 42.8%           | 0.0%                 | 0.0%            | 40.4%              | 40.4%             | 40.4%   | 40.4%                  |                        |
| iii. Cost coverage   | (Available cash + Investments)/(monthly fixed operational expenditure)                         | 0.0                  | 0.0      | 0.0             | 0.0             | 0.1             | -                    | -               | 0.1                | 0.1               | 0.1   | 0.1                    |                        |

**References**

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

| Current Year 2017/18     |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                          |                          |
|--------------------------|--------------------|---|--------------------------|--------------------------|
| Adjusted Budget          | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20   | Budget Year +2 2020/21   |
| 1<br>1                   |                    | 1<br>1  | 1<br>1                   | 1<br>1                   |
| 2                        |                    | 2   | 2                        | 2                        |
| 40<br>4                  |                    | 40<br>4   | 40<br>4                  | 40<br>4                  |
| 4<br>10<br>4             |                    | 4<br>10<br>4  | 4<br>10<br>4             | 4<br>10<br>4             |
| 4                        |                    | 4   | 4                        | 4                        |
| 12480<br>4<br>4          |                    | 12480<br>4<br>4                                     | 12480<br>4<br>4          | 12480<br>4<br>4          |
| 3<br>5<br>10<br>4<br>700 |                    | 3<br>5<br>10<br>4<br>700                            | 3<br>5<br>10<br>4<br>700 | 3<br>5<br>10<br>4<br>700 |
| 2<br>12                  |                    | 2<br>12   | 2<br>12                  | 2<br>12                  |
| 12<br>1<br>4<br>1        |                    | 12<br>1<br>4<br>1                                   | 12<br>1<br>4<br>1        | 12<br>1<br>4<br>1        |
| 495<br>4<br>4            |                    | 495<br>4<br>4                                       | 495<br>4<br>4            | 495<br>4<br>4            |
| 4<br>5                   |                    | 4<br>5  | 4<br>5                   | 4<br>5                   |

| Current Year 2017/18 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------|--------------------|---|------------------------|------------------------|
| Adjusted Budget      | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
|                      |                    |   |                        |                        |
|                      |                    |   |                        |                        |
|                      |                    |   |                        |                        |



Detail on the provision of municipal services for A11

[illegible]



| 4) Additional services |  | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 | 2035/36 | 2036/37 | 2037/38 | 2038/39 | 2039/40 | 2040/41 | 2041/42 | 2042/43 | 2043/44 | 2044/45 | 2045/46 | 2046/47 | 2047/48 | 2048/49 | 2049/50 | 2050/51 | 2051/52 | 2052/53 | 2053/54 | 2054/55 | 2055/56 | 2056/57 | 2057/58 | 2058/59 | 2059/60 | 2060/61 | 2061/62 | 2062/63 | 2063/64 | 2064/65 | 2065/66 | 2066/67 | 2067/68 | 2068/69 | 2069/70 | 2070/71 | 2071/72 | 2072/73 | 2073/74 | 2074/75 | 2075/76 | 2076/77 | 2077/78 | 2078/79 | 2079/80 | 2080/81 | 2081/82 | 2082/83 | 2083/84 | 2084/85 | 2085/86 | 2086/87 | 2087/88 | 2088/89 | 2089/90 | 2090/91 | 2091/92 | 2092/93 | 2093/94 | 2094/95 | 2095/96 | 2096/97 | 2097/98 | 2098/99 | 2099/00 | 2100/01 | 2101/02 | 2102/03 | 2103/04 | 2104/05 | 2105/06 | 2106/07 | 2107/08 | 2108/09 | 2109/10 | 2110/11 | 2111/12 | 2112/13 | 2113/14 | 2114/15 | 2115/16 | 2116/17 | 2117/18 | 2118/19 | 2119/20 | 2120/21 | 2121/22 | 2122/23 | 2123/24 | 2124/25 | 2125/26 | 2126/27 | 2127/28 | 2128/29 | 2129/30 | 2130/31 | 2131/32 | 2132/33 | 2133/34 | 2134/35 | 2135/36 | 2136/37 | 2137/38 | 2138/39 | 2139/40 | 2140/41 | 2141/42 | 2142/43 | 2143/44 | 2144/45 | 2145/46 | 2146/47 | 2147/48 | 2148/49 | 2149/50 | 2150/51 | 2151/52 | 2152/53 | 2153/54 | 2154/55 | 2155/56 | 2156/57 | 2157/58 | 2158/59 | 2159/60 | 2160/61 | 2161/62 | 2162/63 | 2163/64 | 2164/65 | 2165/66 | 2166/67 | 2167/68 | 2168/69 | 2169/70 | 2170/71 | 2171/72 | 2172/73 | 2173/74 | 2174/75 | 2175/76 | 2176/77 | 2177/78 | 2178/79 | 2179/80 | 2180/81 | 2181/82 | 2182/83 | 2183/84 | 2184/85 | 2185/86 | 2186/87 | 2187/88 | 2188/89 | 2189/90 | 2190/91 | 2191/92 | 2192/93 | 2193/94 | 2194/95 | 2195/96 | 2196/97 | 2197/98 | 2198/99 | 2199/00 | 2200/01 | 2201/02 | 2202/03 | 2203/04 | 2204/05 | 2205/06 | 2206/07 | 2207/08 | 2208/09 | 2209/10 | 2210/11 | 2211/12 | 2212/13 | 2213/14 | 2214/15 | 2215/16 | 2216/17 | 2217/18 | 2218/19 | 2219/20 | 2220/21 | 2221/22 | 2222/23 | 2223/24 | 2224/25 | 2225/26 | 2226/27 | 2227/28 | 2228/29 | 2229/30 | 2230/31 | 2231/32 | 2232/33 | 2233/34 | 2234/35 | 2235/36 | 2236/37 | 2237/38 | 2238/39 | 2239/40 | 2240/41 | 2241/42 | 2242/43 | 2243/44 | 2244/45 | 2245/46 | 2246/47 | 2247/48 | 2248/49 | 2249/50 | 2250/51 | 2251/52 | 2252/53 | 2253/54 | 2254/55 | 2255/56 | 2256/57 | 2257/58 | 2258/59 | 2259/60 | 2260/61 | 2261/62 | 2262/63 | 2263/64 | 2264/65 | 2265/66 | 2266/67 | 2267/68 | 2268/69 | 2269/70 | 2270/71 | 2271/72 | 2272/73 | 2273/74 | 2274/75 | 2275/76 | 2276/77 | 2277/78 | 2278/79 | 2279/80 | 2280/81 | 2281/82 | 2282/83 | 2283/84 | 2284/85 | 2285/86 | 2286/87 | 2287/88 | 2288/89 | 2289/90 | 2290/91 | 2291/92 | 2292/93 | 2293/94 | 2294/95 | 2295/96 | 2296/97 | 2297/98 | 2298/99 | 2299/00 | 2300/01 | 2301/02 | 2302/03 | 2303/04 | 2304/05 | 2305/06 | 2306/07 | 2307/08 | 2308/09 | 2309/10 | 2310/11 | 2311/12 | 2312/13 | 2313/14 | 2314/15 | 2315/16 | 2316/17 | 2317/18 | 2318/19 | 2319/20 | 2320/21 | 2321/22 | 2322/23 | 2323/24 | 2324/25 | 2325/26 | 2326/27 | 2327/28 | 2328/29 | 2329/30 | 2330/31 | 2331/32 | 2332/33 | 2333/34 | 2334/35 | 2335/36 | 2336/37 | 2337/38 | 2338/39 | 2339/40 | 2340/41 | 2341/42 | 2342/43 | 2343/44 | 2344/45 | 2345/46 | 2346/47 | 2347/48 | 2348/49 | 2349/50 | 2350/51 | 2351/52 | 2352/53 | 2353/54 | 2354/55 | 2355/56 | 2356/57 | 2357/58 | 2358/59 | 2359/60 | 2360/61 | 2361/62 | 2362/63 | 2363/64 | 2364/65 | 2365/66 | 2366/67 | 2367/68 | 2368/69 | 2369/70 | 2370/71 | 2371/72 | 2372/73 | 2373/74 | 2374/75 | 2375/76 | 2376/77 | 2377/78 | 2378/79 | 2379/80 | 2380/81 | 2381/82 | 2382/83 | 2383/84 | 2384/85 | 2385/86 | 2386/87 | 2387/88 | 2388/89 | 2389/90 | 2390/91 | 2391/92 | 2392/93 | 2393/94 | 2394/95 | 2395/96 | 2396/97 | 2397/98 | 2398/99 | 2399/00 | 2400/01 | 2401/02 | 2402/03 | 2403/04 | 2404/05 | 2405/06 | 2406/07 | 2407/08 | 2408/09 | 2409/10 | 2410/11 | 2411/12 | 2412/13 | 2413/14 | 2414/15 | 2415/16 | 2416/17 | 2417/18 | 2418/19 | 2419/20 | 2420/21 | 2421/22 | 2422/23 | 2423/24 | 2424/25 | 2425/26 | 2426/27 | 2427/28 | 2428/29 | 2429/30 | 2430/31 | 2431/32 | 2432/33 | 2433/34 | 2434/35 | 2435/36 | 2436/37 | 2437/38 | 2438/39 | 2439/40 | 2440/41 | 2441/42 | 2442/43 | 2443/44 | 2444/45 | 2445/46 | 2446/47 | 2447/48 | 2448/49 | 2449/50 | 2450/51 | 2451/52 | 2452/53 | 2453/54 | 2454/55 | 2455/56 | 2456/57 | 2457/58 | 2458/59 | 2459/60 | 2460/61 | 2461/62 | 2462/63 | 2463/64 | 2464/65 | 2465/66 | 2466/67 | 2467/68 | 2468/69 | 2469/70 | 2470/71 | 2471/72 | 2472/73 | 2473/74 | 2474/75 | 2475/76 | 2476/77 | 2477/78 | 2478/79 | 2479/80 | 2480/81 | 2481/82 | 2482/83 | 2483/84 | 2484/85 | 2485/86 | 2486/87 | 2487/88 | 2488/89 | 2489/90 | 2490/91 | 2491/92 | 2492/93 | 2493/94 | 2494/95 | 2495/96 | 2496/97 | 2497/98 | 2498/99 | 2499/00 | 2500/01 | 2501/02 | 2502/03 | 2503/04 | 2504/05 | 2505/06 | 2506/07 | 2507/08 | 2508/09 | 2509/10 | 2510/11 | 2511/12 | 2512/13 | 2513/14 | 2514/15 | 2515/16 | 2516/17 | 2517/18 | 2518/19 | 2519/20 | 2520/21 | 2521/22 | 2522/23 | 2523/24 | 2524/25 | 2525/26 | 2526/27 | 2527/28 | 2528/29 | 2529/30 | 2530/31 | 2531/32 | 2532/33 | 2533/34 | 2534/35 | 2535/36 | 2536/37 | 2537/38 | 2538/39 | 2539/40 | 2540/41 | 2541/42 | 2542/43 | 2543/44 | 2544/45 | 2545/46 | 2546/47 | 2547/48 | 2548/49 | 2549/50 | 2550/51 | 2551/52 | 2552/53 | 2553/54 | 2554/55 | 2555/56 | 2556/57 | 2557/58 | 2558/59 | 2559/60 | 2560/61 | 2561/62 | 2562/63 | 2563/64 | 2564/65 | 2565/66 | 2566/67 | 2567/68 | 2568/69 | 2569/70 | 2570/71 | 2571/72 | 2572/73 | 2573/74 | 2574/75 | 2575/76 | 2576/77 | 2577/78 | 2578/79 | 2579/80 | 2580/81 | 2581/82 | 2582/83 | 2583/84 | 2584/85 | 2585/86 | 2586/87 | 2587/88 | 2588/89 | 2589/90 | 2590/91 | 2591/92 | 2592/93 | 2593/94 | 2594/95 | 2595/96 | 2596/97 | 2597/98 | 2598/99 | 2599/00 | 2600/01 | 2601/02 | 2602/03 | 2603/04 | 2604/05 | 2605/06 | 2606/07 | 2607/08 | 2608/09 | 2609/10 | 2610/11 | 2611/12 | 2612/13 | 2613/14 | 2614/15 | 2615/16 | 2616/17 | 2617/18 | 2618/19 | 2619/20 | 2620/21 | 2621/22 | 2622/23 | 2623/24 | 2624/25 | 2625/26 | 2626/27 | 2627/28 | 2628/29 | 2629/30 | 2630/31 | 2631/32 | 2632/33 | 2633/34 | 2634/35 | 2635/36 | 2636/37 | 2637/38 | 2638/39 | 2639/40 | 2640/41 | 2641/42 | 2642/43 | 2643/44 | 2644/45 | 2645/46 | 2646/47 | 2647/48 | 2648/49 | 2649/50 | 2650/51 | 2651/52 | 2652/53 | 2653/54 | 2654/55 | 2655/56 | 2656/57 | 2657/58 | 2658/59 | 2659/60 | 2660/61 | 2661/62 | 2662/63 | 2663/64 | 2664/65 | 2665/66 | 2666/67 | 2667/68 | 2668/69 | 2669/70 | 2670/71 | 2671/72 | 2672/73 | 2673/74 | 2674/75 | 2675/76 | 2676/77 | 2677/78 | 2678/79 | 2679/80 | 2680/81 | 2681/82 | 2682/83 | 2683/84 | 2684/85 | 2685/86 | 2686/87 | 2687/88 | 2688/89 | 2689/90 | 2690/91 | 2691/92 | 2692/93 | 2693/94 | 2694/95 | 2695/96 | 2696/97 | 2697/98 | 2698/99 | 2699/00 | 2700/01 | 2701/02 | 2702/03 | 2703/04 | 2704/05 | 2705/06 | 2706/07 | 2707/08 | 2708/09 | 2709/10 | 2710/11 | 2711/12 | 2712/13 | 2713/14 | 2714/15 | 2715/16 | 2716/17 | 2717/18 | 2718/19 | 2719/20 | 2720/21 | 2721/22 | 2722/23 | 2723/24 | 2724/25 | 2725/26 | 2726/27 | 2727/28 | 2728/29 | 2729/30 | 2730/31 | 2731/32 | 2732/33 | 2733/34 | 2734/35 | 2735/36 | 2736/37 | 2737/38 | 2738/39 | 2739/40 | 2740/41 | 2741/42 | 2742/43 | 2743/44 | 2744/45 | 2745/46 | 2746/47 | 2747/48 | 2748/49 | 2749/50 | 2750/51 | 2751/52 | 2752/53 | 2753/54 | 2754/55 | 2755/56 | 2756/57 | 2757/58 | 2758/59 | 2759/60 | 2760/61 | 2761/62 | 2762/63 | 2763/64 | 2764/65 | 2765/66 | 2766/67 | 2767/68 | 2768/69 | 2769/70 | 2770/71 | 2771/72 | 2772/73 | 2773/74 | 2774/75 | 2775/76 | 2776/77 | 2777/78 | 2778/79 | 2779/80 | 2780/81 | 2781/82 | 2782/83 | 2783/84 | 2784/85 | 2785/86 | 2786/87 | 2787/88 | 2788/89 | 2789/90 | 2790/91 | 2791/92 | 2792/93 | 2793/94 | 2794/95 | 2795/96 | 2796/97 | 2797/98 | 2798/99 | 2799/00 | 2800/01 | 2801/02 | 2802/03 | 2803/04 | 2804/05 | 2805/06 | 2806/07 | 2807/08 | 2808/09 | 2809/10 | 2810/11 | 2811/12 | 2812/13 | 2813/14 | 2814/15 | 2815/16 | 2816/17 | 2817/18 | 2818/19 | 2819/20 | 2820/21 | 2821/22 | 2822/23 | 2823/24 | 2824/25 | 2825/26 | 2826/27 | 2827/28 | 2828/29 | 2829/30 | 2830/31 | 2831/32 | 2832/33 | 2833/34 | 2834/35 | 2835/36 | 2836/37 | 2837/38 | 2838/39 | 2839/40 | 2840/41 | 2841/42 | 2842/43 | 2843/44 | 2844/45 | 2845/46 | 2846/47 | 2847/48 | 2848/49 | 2849/50 | 2850/51 | 2851/52 | 2852/53 | 2853/54 | 2854/55 | 2855/56 | 2856/57 | 2857/58 | 2858/59 | 2859/60 | 2860/61 | 2861/62 | 2862/63 | 2863/64 | 2864/65 | 2865/66 | 2866/67 | 2867/68 | 2868/69 | 2869/70 | 2870/71 | 2871/72 | 2872/73 | 2873/74 | 2874/75 | 2875/76 | 2876/77 | 2877/78 | 2878/79 | 2879/80 | 2880/81 | 2881/82 | 2882/83 | 2883/84 | 2884/85 | 2885/86 | 2886/87 | 2887/88 | 2888/89 | 2889/90 | 2890/91 | 2891/92 | 2892/93 | 2893/94 | 2894/95 | 2895/96 | 2896/97 | 2897/98 | 2898/99 | 2899/00 | 2900/01 | 2901/02 | 2902/03 | 2903/04 | 2904/05 | 2905/06 | 2906/07 | 2907/08 | 2908/09 | 2909/10 | 2910/11 | 2911/12 | 2912/13 | 2913/14 | 2914/15 | 2915/16 | 2916/17 | 2917/18 | 2918/19 | 2919/20 | 2920/21 | 2921/22 | 2922/23 | 2923/24 | 2924/25 | 2925/26 | 2926/27 | 2927/28 | 2928/29 | 2929/30 | 2930/31 | 2931/32 | 2932/33 | 2933/34 | 2934/35 | 2935/36 | 2936/37 | 2937/38 | 2938/39 | 2939/40 | 2940/41 | 2941/42 | 2942/43 | 2943/44 | 2944/45 | 2945/46 | 2946/47 | 2947/48 | 2948/49 | 2949/50 | 2950/51 | 2951/52 | 2952/53 | 2953/54 | 2954/55 | 2955/56 | 2956/57 | 2957/58 | 2958/59 | 2959/60 | 2960/61 | 2961/62 | 2962/63 | 2963/64 | 2964/65 | 2965/66 | 2966/67 | 2967/68 | 2968/69 | 2969/70 | 2970/71 | 2971/72 | 2972/73 | 2973/74 | 2974/75 | 2975/76 | 2976/77 | 2977/78 | 2978/79 | 2979/80 | 2980/81 | 2981/82 | 2982/83 | 2983/84 | 2984/85 | 2985/86 | 2986/87 | 2987/88 | 2988/89 | 2989/90 | 2990/91 | 2991/92 | 2992/93 | 2993/94 | 2994/95 | 2995/96 | 2996/97 | 2997/98 | 2998/99 | 2999/00 | 3000/01 | 3001/02 | 3002/03 | 3003/04 | 3004/05 | 3005/06 | 3006/07 | 3007/08 | 3008/09 | 3009/10 | 3010/11 | 3011/12 | 3012/13 | 3013/14 | 3014/15 | 3015/16 | 3016/17 | 3017/18 | 3018/19 | 3019/20 | 3020/21 | 3021/22 | 3022/23 | 3023/24 | 3024/25 | 3025/26 | 3026/27 | 3027/28 | 3028/29 | 3029/30 | 3030/31 | 3031/32 | 3032/33 | 3033/34 | 3034/35 | 3035/36 | 3036/37 | 3037/38 | 3038/39 | 3039/40 | 3040/41 | 3041/42 | 3042/43 | 3043/44 | 3044/4 |
|------------------------|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-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|------------------------|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-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| Description                               | APRIL<br>months | Sep | 2016E             | 2016E             | 2016E*            | Current Year (2016) |                    |                       |                     | 2016 to Median Year (2016) to Current Year<br>2016 to 2016 |                           |                           |
|---|-----------------|-----|-------------------|-------------------|-------------------|---------------------|--------------------|-----------------------|---------------------|--|---------------------------|---------------------------|
|   |                 |     | Actual<br>Current | Actual<br>Current | Actual<br>Current | Original<br>Budget  | Adjusted<br>Budget | Full Year<br>Forecast | Pre Audit<br>Actual | Original Year<br>2016E                                     | Original Year<br>41 2016E | Original Year<br>41 2016E |
| Capital expenditures, net per year - FY00 | 50.00           | 1   | 0.0               | 0.0               | 0.0               | 1.0                 | 0.00               | 0.00                  | 0.00                | 0.00   | 0.00                      | 0.00                      |
| Capital expenditures, net per year - FY00 | 50.00           | 2   | 1.00              | 1.00              | 1.00              | 1.00                | 1.00               | 1.00                  | 1.00                | 1.00   | 1.00                      | 1.00                      |
| Capital expenditures, net per year - FY00 | 50.00           | 3   | 0.0               | 0.0               | 0.0               | 0.0                 | 0.0                | 0.0                   | 0.0                 | 0.0  | 0.0                       | 0.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 4   | 1.00              | 1.00              | 1.00              | 1.00                | 1.00               | 1.00                  | 1.00                | 1.00   | 1.00                      | 1.00                      |
| Capital expenditures, net per year - FY00 | 50.00           | 5   | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 6   | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 7   | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 8   | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 9   | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 10  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 11  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 12  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 13  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 14  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 15  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 16  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 17  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 18  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 19  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 20  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 21  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 22  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 23  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 24  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 25  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 26  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 27  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 28  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 29  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 30  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 31  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                | 1.0                   | 1.0                 | 1.0  | 1.0                       | 1.0                       |
| Capital expenditures, net per year - FY00 | 50.00           | 32  | 1.0               | 1.0               | 1.0               | 1.0                 |                    |                       |                     |  |                           |                           |

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11. *Algebraic Equations* (continued) - Section 4

NC452 Ga-Segonyana - Supporting Table SA11 Property rates summary

| Description   | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18  |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|-----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget       | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Valuation:</b>   | 1   |                 |                 |                 | 31/12/2013<br>2017/18 |                 |                    | 2018/19<br>Yes<br>No<br>No                          |                        |                        |
| Date of valuation:  |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Financial year valuation used                                       |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Municipal by-laws s6 in place? (Y/N)                                | 2   |                 |                 |                 | Yes                   |                 |                    |   |                        |                        |
| Municipal/assistant valuer appointed? (Y/N)                         |     |                 |                 |                 | No                    |                 |                    |   |                        |                        |
| Municipal partnership s38 used? (Y/N)                               |     |                 |                 |                 | No                    |                 |                    |   |                        |                        |
| No. of assistant valuers (FTE)                                      | 3   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of data collectors (FTE)  | 3   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of internal valuers (FTE)                                       | 3   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of external valuers (FTE)                                       | 3   |                 |                 |                 | 1                     |                 |                    | 1   | 1                      | 1                      |
| No. of additional valuers (FTE)                                     | 4   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Valuation appeal board established? (Y/N)                           |     |                 |                 |                 | Yes                   |                 |                    |   |                        |                        |
| Implementation time of new valuation roll (mths)                    |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of properties   | 5   |                 |                 |                 |                       |                 |                    | 11,182  |                        |                        |
| No. of sectional title values                                       | 5   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of unreasonably difficult properties s7(2)                      |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of supplementary valuations                                     |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of valuation roll amendments                                    |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of objections by rate payers                                    |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of appeals by rate payers                                       |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of successful objections  | 8   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| No. of successful objections > 10%                                  | 8   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Supplementary valuation   |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Public service infrastructure value (Rm)                            | 5   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Municipality owned property value (Rm)                              |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| <b>Valuation reductions:</b>  |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Valuation reductions-public infrastructure (Rm)                     |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Valuation reductions-nature reserves/park (Rm)                      |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Valuation reductions-mineral rights (Rm)                            |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Valuation reductions-R15,000 threshold (Rm)                         |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Valuation reductions-public worship (Rm)                            |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Valuation reductions-other (Rm)                                     |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| <b>Total valuation reductions:</b>                                  |     | -               | -               | -               | -                     | -               | -                  | -   | -                      | -                      |
| Total value used for rating (Rm)                                    | 5   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Total land value (Rm)   | 5   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Total value of improvements (Rm)                                    | 5   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Total market value (Rm)   | 5   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| <b>Rating:</b>  |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Residential rate used to determine rate for other categories? (Y/N) | 5   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Differential rates used? (Y/N)                                      |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Limit on annual rate increase (s20)? (Y/N)                          |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Special rating area used? (Y/N)                                     |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Phasing-in properties s21 (number)                                  |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Rates policy accompanying budget? (Y/N)                             |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Fixed amount minimum value (R000)                                   |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Non-residential prescribed ratio s19? (%)                           |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| <b>Rate revenue:</b>  |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Rate revenue budget (R'000)   | 6   | 30,536          | 31,172          | 36,250          | 36,075                | 36,075          | -                  | 42,594  | 44,894                 | 47,363                 |
| Rate revenue expected to collect (R'000)                            | 6   | 17,045          | 32,977          | 30,334          | 31,260                | 33,213          | -                  | 36,205  | 38,160                 | 40,258                 |
| Expected cash collection rate (%)                                   |     | 55.8%           | 105.8%          | 83.7%           | 80.0%                 | 85.0%           |                    | 85.0%   | 85.0%                  | 85.0%                  |
| Special rating areas (R'000)  | 7   |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Rebates, exemptions - indigent (R'000)                              |     | 1,744,851.00    | 1,805,624.00    | 1,406,548.00    | 2,325,312.00          | 2,325,312.00    | -                  | 1,000,000.00  | 1,054,000.00           | 1,111,970.00           |
| Rebates, exemptions - pensioners (R'000)                            |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Rebates, exemptions - bona fide farm (R'000)                        |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Rebates, exemptions - other (R'000)                                 |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| Phase-in reductions/discounts (R'000)                               |     |                 |                 |                 |                       |                 |                    |   |                        |                        |
| <b>Total rebates, exemptions, reductions, discounts (R'000)</b>     |     | 1,745           | 1,806           | 1,407           | 2,325                 | 2,325           | -                  | 1,000   | 1,054                  | 1,112                  |

**References**

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

NC452 Ga-Segonyana - Supporting Table SA12a Property rates by category (current year)

| Description   | Ref | Resi.      | Indust. | Bus. & Comm. | Farm props. | State-owned | Muni props. | Public service infra. | Private owned towns | Formal & Informal Settle. | Comm. Land | State trust land | Section 8(2)(i) (note 1) | Protect. Areas | National Monuments | Public benefit organs. | Mining Props. |
|---|-----|------------|---------|--------------|-------------|-------------|-------------|-----------------------|---------------------|---------------------------|------------|------------------|--------------------------|----------------|--------------------|------------------------|---------------|
| <b>Current Year 2017/18</b>                                     |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| <b>Valuation:</b>   |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| No. of properties   |     | 7,702      | 129     | 376          | 360         | 103         | 1,466       |                       |                     |                           |            |                  |                          |                |                    | 53                     |               |
| No. of sectional title property values                          |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| No. of unreasonably difficult properties s(12)                  |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| No. of supplementary valuations                                 |     | 1          |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Supplementary valuation (Rm)                                    |     | 31,760,510 |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| No. of valuation roll amendments                                |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| No. of objections by rate-payers                                |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| No. of appeals by rate-payers finalised                         |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| No. of successful objections                                    | 5   |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Estimated no. of properties not valued                          | 5   |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Years since last valuation (select)                             |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Frequency of valuation (select)                                 |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Method of valuation used (select)                               |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Base of valuation (select)                                      |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Phasing in properties s(1) (number)                             |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Combination of rating types used? (Y/N)                         |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Flat rate used? (Y/N)   |     | Yes        |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Is balance rated by uniform rate/variable rate?                 |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| <b>Valuation reductions:</b>                                    |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Valuation reductions-public infrastructure (Rm)                 |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Valuation reductions-nature reserves/peaks (Rm)                 |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Valuation reductions-mineral rights (Rm)                        |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Valuation reductions-R15,000 threshold (Rm)                     |     | 0          |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Valuation reductions-public worship (Rm)                        |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Valuation reductions-other (Rm)                                 |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| <b>Total valuation reductions:</b>                              | 2   |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Total value used for rating (Rm)                                |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Total land value (Rm)   | 6   |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Total value of improvements (Rm)                                | 6   |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Total market value (Rm)   | 6   |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| <b>Rating:</b>  |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Average rate  | 3   |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Rate revenue budget (R'000)                                     |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Rate revenue expected to collect (R'000)                        |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Expected cash collection rate (%)                               | 4   |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Special rating areas (R'000)                                    |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Rebates, exemptions - indigent (R'000)                          |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Rebates, exemptions - pensioners (R'000)                        |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Rebates, exemptions - bona fide farm (R'000)                    |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Rebates, exemptions - other (R'000)                             |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| Phase-in reductions/discounts (R'000)                           |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |
| <b>Total rebates, exemptions, reductions, discounts (R'000)</b> |     |            |         |              |             |             |             |                       |                     |                           |            |                  |                          |                |                    |                        |               |

**References**

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPR4 minimum
3. Average rate - cents in the Rand. Eg 10.20 cents in the Rand is 0.1020, expressed to 6 decimal places maximum
4. Include areas collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

NC452 Ga-Segonyana - Supporting Table SA12b Property rates by category (budget year)

| Description   | Ref | Resi. | Indusl. | Bus. & Comm. | Farm props. | State-owned | Muni props. | Public service infra. | Private owned towns | Formal & Informal Settle. | Comm. Land | State trust land | Section 82(1)(i) (note 1) | Protect. Areas | National Monum'ts | Public benefit organs. | Mining Props. |
|---|-----|-------|---------|--------------|-------------|-------------|-------------|-----------------------|---------------------|---------------------------|------------|------------------|---------------------------|----------------|-------------------|------------------------|---------------|
| <b>Budget Year 2018/19</b>                              |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| <b>Valuations:</b>                                      |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| No. of properties                                       |     | 0,767 | 195     | 404          | 360         | 103         | 1,272       |                       |                     |                           |            |                  |                           |                |                   | 51                     |               |
| No. of sectional title property values                  |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| No. of unreasonably difficult properties s7(2)          |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| No. of supplementary valuations                         |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Supplementary valuation (Rm)                            |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| No. of valuation roll amendments                        |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| No. of objections by rate payers                        |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| No. of appeals by rate payers                           |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| No. of appeals by rate payers finalised                 | 5   |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| No. of successful objections                            | 5   |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| No. of successful objections > 10%                      |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Estimated no. of properties not valued                  |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Years since last valuation (select)                     |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Frequency of valuation (select)                         |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Method of valuation used (select)                       |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Date of valuation (select)                              |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Phasing in properties s21 (number)                      |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Combination of rating types used? (Y/N)                 |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Flat rate used? (Y/N)                                   |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Is balance rated by uniform rate/variable rate?         |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| <b>Valuation reductions:</b>                            |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Valuation reductions-public infrastructure (Rm)         |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Valuation reductions-nature reserves/ parks (Rm)        |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Valuation reductions-mineral rights (Rm)                |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Valuation reductions-R15,000 threshold (Rm)             |     | 0     |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Valuation reductions-public worship (Rm)                |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Valuation reductions other (Rm)                         |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| <b>Total valuation reductions:</b>                      | 2   |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Total value used for rating (Rm)                        | 0   |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Total land value (Rm)                                   | 0   |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Total value of improvements (Rm)                        | 0   |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Total market value (Rm)                                 | 0   |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| <b>Rating:</b>  |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Average rate  | 3   |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Rate revenue budget (R '000)                            |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Rate revenue expected to collect (R'000)                |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Expected cash collection rate (%)                       |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Special rating areas (R'000)                            | 4   |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Reliefs, exemptions - indigent (R'000)                  |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Reliefs, exemptions - pensioners (R'000)                |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Reliefs, exemptions - bona fide farm. (R'000)           |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Reliefs, exemptions - other (R'000)                     |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| Phase-in reductions/discounts (R'000)                   |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |
| <b>Total reliefs,exemptions,discounts,discs (R'000)</b> |     |       |         |              |             |             |             |                       |                     |                           |            |                  |                           |                |                   |                        |               |

**References:**

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Inclusive value of additional reductions is 'free' value greater than M2454 minimum.
3. Average rate - cents in the Rand. Eg 10.25 cents in the Rand is 0.1025, expressed to 5 decimal places maximum
4. Include arrears collections
5. In favour of the rate payer
6. Provide relevant information for historical communities.













|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| Basic charge, Kuman and Wrenchable containers<br>indigents   | 60  | 64  | 65  | 77  | 82  | 85  | 81  |
| Fixed charge for Wrenchable and Bankline   |     |     |     |     | 160 | 169 | 178 |
| RESIDENTIAL (including Businesses on Residential)  |     |     |     |     | 300 | 316 | 334 |
| Business, Industries and Institutional   |     |     |     |     |     |     |     |
| Consumption based on water usage for Kuman and<br>containers   |     |     |     |     | 0   | 0   | 0   |
| RESIDENTIAL (including Businesses on Residential)  |     |     |     |     | 0   | 0   | 0   |
| Business, Industries and Institutional   |     |     |     |     |     |     |     |
| AVAILABILITY CHARGES   | 103 | 152 | 171 | 195 | 206 | 217 | 229 |
| This fee is payable in respect of any property that is not<br>which may in the opinion of the Municipality be provided<br>for. This excludes vacant land |     |     |     |     |     |     |     |
| Electricity tariffs  |     |     |     |     |     |     |     |
| Indigent Households with an income < R4,340.00   | 70c | 74c | 79c | 1   | 1   | 1   | 1   |
| Low-Income (Cut off 400 kWh and Reliable Users)  | 82c | 87c | 93c | 1   | 1   | 1   | 1   |
| 351 - 600  | 1   | 1   | 1   | 1   | 2   | 2   | 2   |
| or   |     |     |     |     |     |     |     |
| Basic Charge   | 85  | 93  | 98  | 106 | 117 | 123 | 130 |
| Usage per kWh  |     | 1   | 1   | 1   | 1   | 1   | 1   |
| 351 - 600  | 87c | 93c | 98c | 1   | 1   | 1   | 1   |
| Usage per kWh  | 1   | 1   | 1   | 1   | 2   | 2   | 2   |
| >600   | 1   | 1   | 1   | 2   | 2   | 2   | 2   |
| Prepaid per kWh usage  | 1   |     |     |     |     |     |     |
| Indigent Households with an income < R4,340.00   |     |     |     |     |     |     |     |
| 0 - 50   |     |     |     |     |     |     |     |
| 51 - 350   | 74c | 79c | 85c | 1   | 1   | 1   | 1   |
| 351 - 600  | 87c | 93c | 98c | 1   | 1   | 1   | 1   |
| >600   | 1   | 1   | 1   | 2   | 2   | 2   | 2   |
| Prepaid per kWh usage (>600)   | 1   | 1   | 1   | 2   | 2   | 2   | 2   |
| BUSINESSES (1.35 kWh)  | 385 | 425 | 469 | 409 | 538 | 567 | 599 |
| Basic Charge   | 1   | 1   | 1   | 1   | 1   | 2   | 2   |
| Usage per kWh  |     |     |     |     |     |     |     |
| or   |     |     |     |     |     |     |     |
| Prepaid per kWh usage  | 1   | 1   | 2   | 2   | 2   | 2   | 2   |
| GUEST HOUSES AND MULTIFAMILY (SURGERY,   |     |     |     |     |     |     |     |
| Basic Charge   |     |     |     | 294 | 336 | 363 | 373 |
| Usage per kWh  |     |     |     | 1   | 1   | 1   | 2   |
| or   |     |     |     |     |     |     |     |
| Prepaid per kWh usage  |     |     |     | 2   | 2   | 2   | 2   |
| BULK USE (40-500 kWh)  | 532 | 571 | 604 | 658 | 724 | 763 | 805 |
| Basic Charge   |     |     |     |     |     |     |     |

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Usage per KVA<br>Usage per kWh  | 149   | 160   | 179   | 201   | 221   | 233   | 245   |
| OR AFTER PEAK HOURS   | 70c   | 75c   | 84c   | 1     | 1     | 1     | 1     |
| Basic Charge  | 532   | 571   | 594   | 565   | 731   | 771   | 813   |
| Usage per KVA   | 149   | 160   | 179   | 197   | 217   | 229   | 241   |
| Usage per kWh   | 70c   | 75c   | 84c   | 1     | 1     | 1     | 1     |
| NOTE: A minimum KVA charge is payable based on 40   |       |       |       |       |       |       |       |
| BULK USERS (70 KVA AND MORE)  |       |       |       |       |       |       |       |
| Basic Charge  | 1,551 | 1,669 | 1,766 | 1,913 | 2,104 | 2,217 | 2,339 |
| Usage per KVA   | 156   | 179   | 201   | 221   | 243   | 256   | 270   |
| Usage per kWh   | 57c   | 58c   | 63c   | 1     | 1     | 1     | 1     |
| or after peak hours   |       |       |       |       |       |       |       |
| Basic Charge  | 2,242 | 2,408 | 2,548 | 2,760 | 3,036 | 3,200 | 3,376 |
| Usage per KVA   | 168   | 181   | 201   | 225   | 247   | 260   | 275   |
| Usage per kWh   | 57c   | 58c   | 63c   | 1     | 1     | 1     | 1     |
| BULK USERS 2 (70 KVA AND MORE)  |       |       |       |       |       |       |       |
| Transformer supplied by the Municipality  |       |       |       |       |       |       |       |
| Basic Charge  | 2,242 | 2,408 | 2,548 | 2,775 | 3,053 | 3,218 | 3,395 |
| Usage per KVA   | 156   | 167   | 201   | 221   | 243   | 256   | 270   |
| Usage per kWh   | 75c   | 80c   | 90c   | 1     | 1     | 1     | 1     |
| or after peak hours   |       |       |       |       |       |       |       |
| Basic Charge  | 2,242 | 2,408 | 2,548 | 2,775 | 3,053 | 3,210 | 3,366 |
| Usage per KVA   | 156   | 167   | 201   | 221   | 243   | 266   | 270   |
| Usage per kWh   | 75c   | 83c   | 90c   | 1     | 1     | 1     | 1     |
| Schools, show grounds, departmental users,<br>sport facilities per kWh usage  |       | 2     | 2     | 2     | 2     | 2     | 2     |
| Load Control - Refusal to install<br>Plus surcharge on kWh Tariff   | 0     | 0     | 0     | 0     | 0     | 0     | 0     |
| Availability charge. This fee is payable in respect of<br>any property that is not connected to the Main<br>Service which may at the option of the Municipality<br>be provided with the necessary service.<br>NB: This excludes vacant land | 215   | 220   | 241   | 273   | 301   | 317   | 334   |
| Shifting of Engaged meters  | 2,401 | 2,545 | 2,692 | 3,048 | 3,353 | 3,534 | 3,726 |
| Reverting back from prepaid power to conventional   | 2,401 | 2,545 | 2,692 | 3,048 | 3,353 | 3,534 | 3,726 |
| Temporary meters (220v 3-phase mainstream breaker -   | 555   | 605   | 735   | 836   | 919   | 969   | 1,022 |

NC452 Ga-Segonyana - Supporting Table SA14 Household bills

| NC452 Ga-Segonyana - Supporting Table SA14 Household bills   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| Description  | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                     |                        |                        |
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19 % Incr.                         | Budget Year 2018/19 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| Rand/cent  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| <u>Monthly Account for Household - 'Middle Income Range'</u> | 1   |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Rates and services charges:                                  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Property rates   |     |                 |                 |                 | 35,225.00            |                 |                    |   |                     |                        |                        |
| Electricity: Basic levy                                      |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Electricity: Consumption                                     |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Basic levy  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Consumption   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Sanitation   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Refuse removal   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Other  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| sub-total  |     | -               | -               | -               | 35,225.00            | -               | -                  | (100.0%)  | -                   | -                      | -                      |
| VAT on Services  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Total large household bill:                                  |     | -               | -               | -               | 35,225.00            | -               | -                  | (100.0%)  | -                   | -                      | -                      |
| % increase/decrease  |     |                 | -               | -               | -                    | (100.0%)        | -                  |   | -                   | -                      | -                      |
| <u>Monthly Account for Household - 'Affordable Range'</u>    | 2   |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Rates and services charges:                                  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Property rates   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Electricity: Basic levy                                      |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Electricity: Consumption                                     |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Basic levy  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Consumption   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Sanitation   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Refuse removal   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Other  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| sub-total  |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                      | -                      |
| VAT on Services  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Total small household bill:                                  |     | -               | -               | -               | -                    | -               | -                  | -   | -                   | -                      | -                      |
| % increase/decrease  |     |                 | -               | -               | -                    | -               | -                  |   | -                   | -                      | -                      |
| <u>Monthly Account for Household - 'Indigent'</u>            | 3   |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| <u>Household receiving free basic services</u>               |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Rates and services charges:                                  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Property rates   |     |                 |                 |                 | 603.00               |                 |                    |   |                     |                        |                        |
| Electricity: Basic levy                                      |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Electricity: Consumption                                     |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Basic levy  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Consumption   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Sanitation   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Refuse removal   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Other  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| sub-total  |     | -               | -               | -               | 603.00               | -               | -                  | (100.0%)  | -                   | -                      | -                      |
| VAT on Services  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Total small household bill:                                  |     | -               | -               | -               | 603.00               | -               | -                  | (100.0%)  | -                   | -                      | -                      |
| % increase/decrease  |     |                 | -               | -               | -                    | (100.0%)        | -                  |   | -                   | -                      | -                      |

## References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R750 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 25kl water (50 kWh electricity and 6 kl water free)

**NC452 Ga-Segonyana - Supporting Table SA17 Borrowing**

| Borrowing - Categorised by type           |  | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand                                |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <u>Parent municipality</u>                |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Annuity and Bullet Loans                  |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long-Term Loans (non-annuity)             |  |     | 22,461          | 21,115          | 14,668          | 20,453               | 20,453          | —                  | 16,868  |                        |                        |
| Local registered stock                    |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Instalment Credit                         |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial Leases                          |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| PPP liabilities                           |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Finance Granted By Cap Equipment Supplier |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Marketable Bonds                          |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Non-Marketable Bonds                      |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Bankers Acceptances                       |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial derivatives                     |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Securities                          |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Municipality sub-total                    |  | 1   | 22,461          | 21,115          | 14,668          | 20,453               | 20,453          | —                  | 16,868  | —                      | —                      |
| <u>Entities</u>                           |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Annuity and Bullet Loans                  |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long-Term Loans (non-annuity)             |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Local registered stock                    |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Instalment Credit                         |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial Leases                          |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| PPP liabilities                           |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Finance Granted By Cap Equipment Supplier |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Marketable Bonds                          |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Non-Marketable Bonds                      |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Bankers Acceptances                       |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Financial derivatives                     |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Securities                          |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Entities sub-total                        |  | 1   | —               | —               | —               | —                    | —               | —                  | —   | —                      | —                      |
| Total Borrowing                           |  | 1   | 22,461          | 21,115          | 14,668          | 20,453               | 20,453          | —                  | 16,868  | —                      | —                      |

|  |          |          |          |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Unspent Borrowing - Categorized by type</b> |          |          |          |          |          |          |          |          |          |          |
| <b>Parent municipality</b>                     |          |          |          |          |          |          |          |          |          |          |
| Long-Term Loans (annuity-reducing balance)     |          |          |          |          |          |          |          |          |          |          |
| Long-Term Loans (non-annuity)                  |          |          |          |          |          |          |          |          |          |          |
| Local registered stock                         |          |          |          |          |          |          |          |          |          |          |
| Instalment Credit                              |          |          |          |          |          |          |          |          |          |          |
| Financial Leases                               |          |          |          |          |          |          |          |          |          |          |
| PPP liabilities                                |          |          |          |          |          |          |          |          |          |          |
| Finance Granted By Cap Equipment Supplier      |          |          |          |          |          |          |          |          |          |          |
| Marketable Bonds                               |          |          |          |          |          |          |          |          |          |          |
| Non-Marketable Bonds                           |          |          |          |          |          |          |          |          |          |          |
| Bankers Acceptances                            |          |          |          |          |          |          |          |          |          |          |
| Financial derivatives                          |          |          |          |          |          |          |          |          |          |          |
| Other Securities                               |          |          |          |          |          |          |          |          |          |          |
| <b>Municipality sub-total</b>                  | <b>1</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> |
| <b>Entities</b>                                |          |          |          |          |          |          |          |          |          |          |
| Long-Term Loans (annuity-reducing balance)     |          |          |          |          |          |          |          |          |          |          |
| Long-Term Loans (non-annuity)                  |          |          |          |          |          |          |          |          |          |          |
| Local registered stock                         |          |          |          |          |          |          |          |          |          |          |
| Instalment Credit                              |          |          |          |          |          |          |          |          |          |          |
| Financial Leases                               |          |          |          |          |          |          |          |          |          |          |
| PPP liabilities                                |          |          |          |          |          |          |          |          |          |          |
| Finance Granted By Cap Equipment Supplier      |          |          |          |          |          |          |          |          |          |          |
| Marketable Bonds                               |          |          |          |          |          |          |          |          |          |          |
| Non-Marketable Bonds                           |          |          |          |          |          |          |          |          |          |          |
| Bankers Acceptances                            |          |          |          |          |          |          |          |          |          |          |
| Financial derivatives                          |          |          |          |          |          |          |          |          |          |          |
| Other Securities                               |          |          |          |          |          |          |          |          |          |          |
| <b>Entities sub-total</b>                      | <b>1</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> |
| <b>Total Unspent Borrowing</b>                 | <b>1</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> |

**References**

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)  
check borrowing balance

|  |  |   |   |         |   |   |   |   |   |   |
|--|--|---|---|---------|---|---|---|---|---|---|
|  |  | — | — | (2,813) | — | — | — | — | — | — |
|--|--|---|---|---------|---|---|---|---|---|---|



NC452 Ga-Segonyana - Supporting Table SA18 Transfers and grant receipts

| Description   | Ref  | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand  |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| RECEIPTS:   | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Operating Transfers and Grants                      |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                |      | 98,526          | 132,109         | 120,223         | 132,725              | 143,456         | -                  | -   | -                      | -                      |
| Local Government Equitable Share                    |      | 86,992          | 108,444         | 117,413         | 128,580              | 129,580         | -                  | 141,895   | 157,567                | 174,003                |
| Finance Management                                  |      | 1,600           | 1,675           | 1,810           | 2,145                | 2,145           | -                  | 2,215   | 2,680                  | 3,112                  |
| Municipal Systems Improvement                       |      | 934             | 940             |                 |                      |                 | -                  | -   | -                      | -                      |
| Water Services Operating Subsidy                    |      | 7,000           | 17,500          |                 |                      |                 | -                  | -   | -                      | -                      |
| EPWP Incentive                                      |      | 1,000           | 1,050           | 1,000           | 1,000                | 1,000           | -                  | 1,000   | -                      | -                      |
| Integrated National Electrification Programme       |      | 1,000           | 1,500           | -               |                      |                 | -                  | -   | -                      | -                      |
| Municipal Infrastructure Grant (MIG)                |      | -               | -               | -               |                      | 10,731          | -                  | 14,381  | 3,000                  | 3,500                  |
| Provincial Government:                              |      | 1,228           | 1,943           | 2,208           | 1,821                | 1,821           | -                  | 1,821   | 1,821                  | 1,821                  |
| Sport and Recreation                                |      | 1,228           | 1,943           | 2,208           | 1,821                | 1,821           | -                  | 1,821   | 1,821                  | 1,821                  |
|   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Municipal Infrastructure Grant (MIG)                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| District Municipality:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other grant providers:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Total Operating Transfers and Grants                | 5    | 99,754          | 134,052         | 122,431         | 134,546              | 145,277         | -                  | -   | -                      | -                      |
| Capital Transfers and Grants                        |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                |      | 94,218          | 93,254          | 121,488         | 94,211               | 83,480          | -                  | 94,218  | 94,218                 | 94,218                 |
| Municipal Infrastructure Grant (MIG)                |      | 51,027          | 52,185          | 51,521          | 54,211               | 43,480          | -                  | 45,432  | 50,302                 | 52,718                 |
| Rural Households Infrastructure                     |      | 4,162           | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Regional Bulk Infrastructure                        |      | 24,858          | 13,346          | 12,157          | -                    | -               | -                  | -   | -                      | -                      |
|   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Municipal Water Infrastructure Grant                |      | 14,170          | 27,713          | -               | -                    | -               | -                  | 45,000  | 95,000                 | 39,575                 |
| Water Services Infrastructure Grant                 |      |                 |                 | 55,800          | 35,000               | 35,000          | -                  | -   | -                      | -                      |
| Integrated National Electrification Programme       |      |                 |                 | 2,000           | 5,000                | 5,000           | -                  | 1,000   | 3,200                  | 2,560                  |
| Provincial Government:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other capital transfers/grants [insert description] |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| District Municipality:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other grant providers:                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Total Capital Transfers and Grants                  | 5    | 94,218          | 93,254          | 121,488         | 94,211               | 83,480          | -                  | -   | -                      | -                      |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS                |      | 193,972         | 227,306         | 243,919         | 228,757              | 228,757         | -                  | -   | -                      | -                      |

**References**

- Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
- Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
- Replacement of RSC levies
- Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
- Total transfers and grants must reconcile to Budgeted Cash Flows
- Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

## NC452 Ga-Segonyana - Supporting Table SA19 Expenditure on transfers and grant programme

| Description  |  | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand   |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| EXPENDITURE:   |  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Operating expenditure of Transfers and Grants        |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                 |  |     | 98,526          | 132,109         | 120,223         | 132,725              | 143,456         | –                  | 145,110   | 160,247                | 177,115                |
| Local Government Equitable Share                     |  |     | 86,982          | 106,444         | 117,413         | 129,580              | 129,580         | –                  | 141,895   | 157,567                | 174,003                |
| Finance Management                                   |  |     | 1,600           | 1,675           | 1,810           | 2,145                | 2,145           | –                  | 2,215   | 2,580                  | 3,112                  |
| Municipal Systems Improvement                        |  |     | 934             | 940             | –               | –                    | –               | –                  | –   | –                      | –                      |
| Water Services Operating Subsidy                     |  |     | 7,000           | 17,500          | –               | –                    | –               | –                  | –   | –                      | –                      |
| EPWP Incentive                                       |  |     | 1,000           | 1,050           | 1,000           | 1,000                | 1,000           | –                  | 1,000   | –                      | –                      |
| Integrated National Electrification Programme        |  |     | 1,000           | 1,500           | –               | –                    | –               | –                  | –   | –                      | –                      |
| Municipal Infrastructure Grant (MIG)                 |  |     | –               | –               | –               | –                    | 10,731          | –                  | 14,381  | 3,000                  | 3,500                  |
| Provincial Government:                               |  |     | 1,228           | 1,943           | 2,208           | 1,821                | 1,821           | –                  | 1,821   | 1,821                  | 1,821                  |
| Sport and Recreation                                 |  |     | 1,228           | 1,943           | 2,208           | 1,821                | 1,821           | –                  | 1,821   | 1,821                  | 1,821                  |
| Municipal Infrastructure Grant (MIG)                 |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| District Municipality:<br>(insert description)       |  |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Other grant providers:<br>(insert description)       |  |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Total operating expenditure of Transfers and Grants: |  |     | 99,754          | 134,052         | 122,431         | 134,546              | 145,277         | –                  | 145,110   | 160,247                | 177,115                |
| Capital expenditure of Transfers and Grants          |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                                 |  |     | 94,218          | 93,254          | 121,488         | 94,211               | 83,480          | –                  | 94,218  | 94,218                 | 94,218                 |
| Municipal Infrastructure Grant (MIG)                 |  |     | 51,027          | 52,195          | 51,521          | 54,211               | 43,480          | –                  | 48,432  | 50,302                 | 52,718                 |
| Rural Households Infrastructure                      |  |     | 4,162           | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Regional Bulk Infrastructure                         |  |     | 24,859          | 13,345          | 12,167          | –                    | –               | –                  | –   | –                      | –                      |
| Municipal Water Infrastructure Grant                 |  |     | 14,170          | 27,713          | –               | –                    | –               | –                  | 45,000  | 95,000                 | 39,675                 |
| Water Services Infrastructure Grant                  |  |     | –               | –               | 55,800          | 35,000               | 35,000          | –                  | –   | –                      | –                      |
| Integrated National Electrification Programme        |  |     | –               | –               | 2,000           | 5,000                | 5,000           | –                  | 1,000   | 3,200                  | 2,560                  |
| Provincial Government:                               |  |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Other capital transfers/grants (insert description)  |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| District Municipality:<br>(insert description)       |  |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Other grant providers:<br>(insert description)       |  |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Total capital expenditure of Transfers and Grants    |  |     | 94,218          | 93,254          | 121,488         | 94,211               | 83,480          | –                  | 107,793   | 148,302                | 95,893                 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS            |  |     | 193,972         | 227,306         | 243,919         | 228,757              | 228,757         | –                  | 252,903   | 308,549                | 273,008                |

## References

1. Expenditure must be separately listed for each transfer or grant received or recognised

NC452 Ga-Sagonyana - Supporting Table SA21 Transfers and grants made by the municipality

| Description   | Ref      | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Cash Transfers to other municipalities</b>                   |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  | 1        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Cash Transfers To Municipalities:                         |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Cash Transfers to Entities/Other External Mechanisms</b>     |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  | 2        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Cash Transfers To Entities/Em's                           |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Cash Transfers to other Organs of State</b>                  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  | 3        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Cash Transfers To Other Organs Of State:                  |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Cash Transfers to Organisations</b>                          |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Cash Transfers To Organisations                           |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Cash Transfers to Groups of Individuals</b>                  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Cash Transfers To Groups Of Individuals:                  |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>TOTAL CASH TRANSFERS AND GRANTS</b>                          | <b>6</b> | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Non-Cash Transfers to other municipalities</b>               |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  | 1        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Non-Cash Transfers To Municipalities:                     |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Non-Cash Transfers to Entities/Other External Mechanisms</b> |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  | 2        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Non-Cash Transfers To Entities/Em's                       |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Non-Cash Transfers to other Organs of State</b>              |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  | 3        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Non-Cash Transfers To Other Organs Of State:              |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Non-Cash Grants to Organisations</b>                         |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  | 4        | -               | -               | -               | -                    | 70              | -                  | -                 | 50  | 53                     | 56                     |
| Total Non-Cash Grants To Organisations                          |          | -               | -               | -               | -                    | 70              | -                  | -                 | 50  | 53                     | 56                     |
| <b>Groups of Individuals</b>                                    |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Insert description  | 5        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total Non-Cash Grants To Groups Of Individuals:                 |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>                      |          | -               | -               | -               | -                    | 70              | -                  | -                 | 50  | 53                     | 56                     |
| <b>TOTAL TRANSFERS AND GRANTS</b>                               | <b>5</b> | -               | -               | -               | -                    | 70              | -                  | -                 | 50  | 53                     | 56                     |

## References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

NC452 Ga-Segonyana - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration          | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| R thousand   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Councillors (Political Office Bearers plus Other)</b> | 1   | A               | B               | C               | D                    | E               | F                  | G   | H                      | I                      |
| Basic Salaries and Wages                                 |     | 4,554           | 4,545           | 4,854           | 6,753                | 7,391           | -                  | 6,752   | 7,116                  | 7,506                  |
| Pension and UIF Contributions                            |     | 541             | 595             | 655             | 437                  | -               | -                  | 843   | 892                    | 941                    |
| Medical Aid Contributions                                |     | -               | -               | -               | -                    | -               | -                  | 163   | 172                    | 181                    |
| Motor Vehicle Allowance                                  |     | 1,254           | 1,380           | 1,518           | 607                  | 645             | -                  | 528   | 557                    | 588                    |
| Cellphone Allowance                                      |     | 652             | 717             | 789             | 563                  | 1,148           | -                  | 1,135   | 1,196                  | 1,262                  |
| Housing Allowances                                       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other benefits and allowances                            |     | -               | -               | -               | 97                   | 2               | -                  | 100   | 106                    | 111                    |
| <b>Sub Total - Councillors</b>                           |     | <b>7,002</b>    | <b>7,638</b>    | <b>7,815</b>    | <b>8,458</b>         | <b>9,187</b>    | <b>-</b>           | <b>9,524</b>  | <b>10,039</b>          | <b>10,591</b>          |
| % increase   | 4   |                 | 9.1%            | 2.3%            | 8.2%                 | 8.6%            | (100.0%)           | -   | 5.4%                   | 5.5%                   |
| <b>Senior Managers of the Municipality</b>               | 2   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                 |     | 2,937           | 3,143           | 3,363           | 5,254                | 3,795           | -                  | 5,183   | 5,442                  | 5,741                  |
| Pension and UIF Contributions                            |     | 524             | 561             | 600             | 179                  | 246             | -                  | 30  | 32                     | 33                     |
| Medical Aid Contributions                                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Overtime   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Performance Bonus  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Motor Vehicle Allowance                                  | 3   | 590             | 631             | 675             | 748                  | 1,122           | -                  | 685   | 733                    | 773                    |
| Cellphone Allowance                                      | 3   | 90              | 96              | 103             | 97                   | 99              | -                  | 96  | 101                    | 107                    |
| Housing Allowances                                       | 3   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other benefits and allowances                            | 3   | -               | -               | -               | 1                    | 12              | -                  | 1   | 1                      | 1                      |
| Payments in lieu of leave                                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Long service awards                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Post-retirement benefit obligations                      | 6   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Sub Total - Senior Managers of Municipality</b>       |     | <b>4,141</b>    | <b>4,430</b>    | <b>4,741</b>    | <b>6,278</b>         | <b>5,275</b>    | <b>-</b>           | <b>5,964</b>  | <b>6,308</b>           | <b>6,655</b>           |
| % increase   | 4   |                 | 7.0%            | 7.0%            | 32.4%                | (16.0%)         | (100.0%)           | -   | 5.4%                   | 5.5%                   |
| <b>Other Municipal Staff</b>                             |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                 |     | 53,743          | 54,026          | 55,749          | 76,407               | 71,509          | -                  | 66,198  | 90,853                 | 95,649                 |
| Pension and UIF Contributions                            |     | 7,659           | 8,193           | 10,261          | 11,332               | 10,765          | -                  | 14,070  | 14,830                 | 15,645                 |
| Medical Aid Contributions                                |     | 3,711           | 3,711           | 5,011           | 4,820                | 5,546           | -                  | 6,080   | 6,409                  | 6,761                  |
| Overtime   |     | 3,450           | 3,450           | 3,897           | 3,279                | 5,511           | -                  | 1,976   | 2,082                  | 2,197                  |
| Performance Bonus  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Motor Vehicle Allowance                                  | 3   | 1,770           | 2,360           | 2,360           | 2,277                | 2,468           | -                  | 2,737   | 2,884                  | 3,043                  |
| Cellphone Allowance                                      | 3   | 192             | 271             | 271             | 364                  | 355             | -                  | 355   | 374                    | 395                    |
| Housing Allowances                                       | 3   | 2,495           | 2,495           | 2,495           | 3,061                | 3,006           | -                  | 3,800   | 4,005                  | 4,225                  |
| Other benefits and allowances                            | 3   | 10,852          | 15,025          | 16,005          | 3,567                | 3,346           | -                  | 3,417   | 3,601                  | 3,799                  |
| Payments in lieu of leave                                |     | 1,538           | 1,538           | 1,424           | -                    | 132             | -                  | -   | -                      | -                      |
| Long service awards                                      |     | 983             | 983             | 832             | 191                  | 167             | -                  | 78  | 83                     | 87                     |
| Post-retirement benefit obligations                      | 6   | -               | 688             | 1,026           | -                    | 1,618           | -                  | 1,700   | 1,792                  | 1,890                  |
| <b>Sub Total - Other Municipal Staff</b>                 |     | <b>86,413</b>   | <b>93,711</b>   | <b>99,130</b>   | <b>105,397</b>       | <b>104,546</b>  | <b>-</b>           | <b>120,410</b>                                      | <b>126,912</b>         | <b>133,893</b>         |
| % increase   | 4   |                 | 8.4%            | 5.8%            | 6.3%                 | (0.8%)          | (100.0%)           | -   | 5.4%                   | 5.5%                   |
| <b>Total Parent Municipality</b>                         |     | <b>97,555</b>   | <b>105,779</b>  | <b>111,686</b>  | <b>120,133</b>       | <b>119,008</b>  | <b>-</b>           | <b>135,919</b>                                      | <b>143,259</b>         | <b>151,138</b>         |
|  |     |                 | 8.4%            | 5.6%            | 7.6%                 | (0.9%)          | (100.0%)           | -   | 5.4%                   | 5.5%                   |
| <b>Board Members of Entities</b>                         |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                 |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Pension and UIF Contributions                            |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Medical Aid Contributions                                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Overtime   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Performance Bonus  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Motor Vehicle Allowance                                  | 3   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Cellphone Allowance                                      | 3   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing Allowances                                       | 3   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other benefits and allowances                            | 3   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Board Fees   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Payments in lieu of leave                                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Long service awards                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Post-retirement benefit obligations                      | 6   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Sub Total - Board Members of Entities</b>             |     | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>  | <b>-</b>               | <b>-</b>               |
| % increase   | 4   |                 | -               | -               | -                    | -               | -                  | -   | -                      | -                      |

|  |     |        |         |         |         |         |          |         |         |         |
|--|-----|--------|---------|---------|---------|---------|----------|---------|---------|---------|
| <b>Senior Managers of Entities</b>             |     |        |         |         |         |         |          |         |         |         |
| Basic Salaries and Wages                       |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Pension and UIF Contributions                  |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Medical Aid Contributions                      |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Overtime                                       |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Performance Bonus                              |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Motor Vehicle Allowance                        | 3   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Cellphone Allowance                            | 3   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Housing Allowances                             | 3   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Other benefits and allowances                  | 3   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Payments in lieu of leave                      |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Long service awards                            |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Post-retirement benefit obligations            | 6   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| <b>Sub Total - Senior Managers of Entities</b> |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| <b>% increase</b>                              | 4   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| <b>Other Staff of Entities</b>                 |     |        |         |         |         |         |          |         |         |         |
| Basic Salaries and Wages                       |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Pension and UIF Contributions                  |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Medical Aid Contributions                      |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Overtime                                       |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Performance Bonus                              |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Motor Vehicle Allowance                        | 3   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Cellphone Allowance                            | 3   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Housing Allowances                             | 3   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Other benefits and allowances                  | 3   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Payments in lieu of leave                      |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Long service awards                            |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| Post-retirement benefit obligations            | 6   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| <b>Sub Total - Other Staff of Entities</b>     |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| <b>% increase</b>                              | 4   | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| <b>Total Municipal Entities</b>                |     | -      | -       | -       | -       | -       | -        | -       | -       | -       |
| <b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b> |     | 97,555 | 105,779 | 111,686 | 120,133 | 119,008 | -        | 135,919 | 143,259 | 151,138 |
| <b>% increase</b>                              | 4   |        | 8.4%    | 5.6%    | 7.6%    | (0.9%)  | (100.0%) | -       | 5.4%    | 5.5%    |
| <b>TOTAL MANAGERS AND STAFF</b>                | 5,7 | 90,554 | 98,142  | 103,870 | 111,675 | 109,821 | -        | 126,395 | 133,220 | 140,547 |

#### References

1. include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/D, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

#### Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 26 of the MFMA.
- F. An estimate of final actual amounts (pre-audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

## NC452 Ga-Segonyana - Supporting Table SA23 Salaries, allowances &amp; benefits (political office bearers/councillors/senior managers)

| <b>Disclosure of Salaries, Allowances &amp; Benefits 1.</b>   | <b>Ref</b>  | <b>No.</b> | <b>Salary</b>    | <b>Contributions</b> | <b>Allowances</b> | <b>Performance Bonuses</b> | <b>In-kind benefits</b> | <b>Total Package</b> |
|---|-------------|------------|------------------|----------------------|-------------------|----------------------------|-------------------------|----------------------|
| Rand per annum  |             |            |                  | <b>1.</b>            |                   |                            |                         | <b>2.</b>            |
| <b>Councillors</b>  | <b>3</b>    |            |                  |                      |                   |                            |                         |                      |
| Speaker   | 4           |            | 681,290          | -                    | 47,508            |                            |                         | 728,798              |
| Chief Whip  |             |            |                  |                      |                   |                            |                         | -                    |
| Executive Mayor   |             |            | 851,625          | -                    | 47,508            |                            |                         | 899,133              |
| Deputy Executive Mayor  |             |            |                  |                      |                   |                            |                         | -                    |
| Executive Committee   |             |            |                  |                      |                   |                            |                         | -                    |
| Total for all other councillors                               |             |            | 6,756,276        | -                    | 1,140,192         |                            |                         | 7,896,470            |
| <b>Total Councillors</b>                                      | <b>8</b>    | <b>-</b>   | <b>8,289,193</b> | <b>-</b>             | <b>1,235,208</b>  |                            |                         | <b>9,524,401</b>     |
| <b>Senior Managers of the Municipality</b>                    | <b>5</b>    |            |                  |                      |                   |                            |                         |                      |
| Municipal Manager (MM)  |             |            | 1,359,236        | 100                  | 23,124            |                            |                         | 1,392,460            |
| Chief Finance Officer   |             |            | 1,119,216        | 9,482                | 18,504            |                            |                         | 1,147,212            |
| Director of Corporate Services                                |             |            | 1,129,126        | 100                  | 18,504            |                            |                         | 1,147,732            |
| Director of Community Services                                |             |            | 1,123,488        | 10,434               | 18,506            |                            |                         | 1,152,428            |
| Director of Infrastructure Services                           |             |            | 1,116,840        | 10,488               | 17,304            |                            |                         | 1,144,632            |
| List of each official with packages >= senior manager :       |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
| <b>Total Senior Managers of the Municipality</b>              | <b>8,10</b> | <b>-</b>   | <b>5,857,908</b> | <b>30,614</b>        | <b>95,942</b>     | <b>-</b>                   |                         | <b>5,984,464</b>     |
| <b>A Heading for Each Entity</b>                              | <b>6,7</b>  |            |                  |                      |                   |                            |                         |                      |
| List each member of board by designation                      |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
|   |             |            |                  |                      |                   |                            |                         | -                    |
| <b>Total for municipal entities</b>                           | <b>8,10</b> | <b>-</b>   | <b>-</b>         | <b>-</b>             | <b>-</b>          | <b>-</b>                   |                         | <b>-</b>             |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 10          | -          | 14,147,101       | 30,614               | 1,331,150         | -                          |                         | 15,508,865           |

## References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

NC452 Ga-Segonyana - Supporting Table SA24 Summary of personnel numbers

| Summary of Personnel Numbers                                  |       | 2016/17   |                     |                    | Current Year 2017/18 |                     |                    | Budget Year 2018/19 |                     |                    |
|---|-------|-----------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| Number  | Ref   | Positions | Permanent employees | Contract employees | Positions            | Permanent employees | Contract employees | Positions           | Permanent employees | Contract employees |
| <b>Municipal Council and Boards of Municipal Entities</b>     |       |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Councillors (Political Office Bearers plus Other Councillors) |       | -         |                     |                    | 27                   |                     | 27                 | 27                  |                     | 27                 |
| Board Members of municipal entities                           | 4     | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| <b>Municipal employees</b>                                    | 5     | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Municipal Manager and Senior Managers                         | 3     | -         |                     |                    | 5                    |                     | 5                  | 5                   |                     | 5                  |
| Other Managers  | 7     | -         |                     |                    | 15                   | 14                  | 1                  | 17                  | 17                  |                    |
| Professionals   |       | -         | -                   | -                  | 49                   | 42                  | 7                  | 64                  | 57                  | 7                  |
| Finance   |       | -         |                     |                    | 43                   | 37                  | 6                  | 56                  | 50                  | 6                  |
| Spacial/town planning   |       | -         |                     |                    | 4                    | 3                   | 1                  | 6                   | 5                   | 1                  |
| Information Technology  |       | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Roads   |       | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Electricity   |       | -         |                     |                    | 1                    | 1                   |                    | 1                   | 1                   |                    |
| Water   |       | -         |                     |                    | 1                    | 1                   |                    | 1                   | 1                   |                    |
| Sanitation  |       | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Refuse  |       | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Other   |       | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Technicians   |       | -         | -                   | -                  | 273                  | 197                 | 76                 | 178                 | 106                 | 70                 |
| Finance   |       | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Spacial/town planning   |       | -         |                     |                    | 4                    | 3                   | 1                  | 3                   | 3                   |                    |
| Information Technology  |       | -         |                     |                    | 3                    | 3                   |                    | 3                   | 3                   |                    |
| Roads   |       | -         |                     |                    | 21                   | 21                  |                    | 31                  | 12                  | 19                 |
| Electricity   |       | -         |                     |                    | 15                   | 15                  |                    | 16                  | 15                  | 1                  |
| Water   |       | -         |                     |                    | 13                   | 13                  |                    | 12                  | 11                  | 1                  |
| Sanitation  |       | -         |                     |                    | 17                   | 17                  |                    | 17                  | 16                  | 1                  |
| Refuse  |       | -         |                     |                    | 200                  | 125                 | 75                 | 96                  | 48                  | 48                 |
| Other   |       | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Clerks (Clerical and administrative)                          |       | -         |                     |                    | 11                   | 5                   | 6                  | 96                  | 72                  | 26                 |
| Service and sales workers                                     |       | -         |                     |                    | 58                   | 54                  | 2                  | 47                  | 29                  | 18                 |
| Skilled agricultural and fishery workers                      |       | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Craft and related trades                                      |       | -         |                     |                    | -                    |                     |                    | -                   |                     |                    |
| Plant and Machine Operators                                   |       | -         |                     |                    | 16                   | 16                  |                    | 20                  | 20                  |                    |
| Elementary Occupations  |       | -         |                     |                    | -                    |                     |                    | 53                  | 53                  |                    |
| <b>TOTAL PERSONNEL NUMBERS</b>                                | 9     | -         | -                   | -                  | 452                  | 328                 | 124                | 509                 | 356                 | 153                |
| % increase  |       |           |                     |                    | -                    | -                   | -                  | 12.6%               | 8.6%                | 23.4%              |
| <b>Total municipal employees headcount</b>                    | 6, 10 | -         |                     |                    | 460                  | 339                 | 121                | 480                 | 339                 | 121                |
| Finance personnel headcount                                   | 8, 10 | -         |                     |                    | 51                   | 50                  | 1                  | 51                  | 50                  | 1                  |
| Human Resources personnel headcount                           | 8, 10 | -         |                     |                    | 7                    | 5                   | 2                  | 7                   | 5                   | 2                  |

**References**

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number of persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions



NC452 Ga-Segonyana - Supporting Table SA25 Budgeted monthly revenue and expenditure

| Ref                        |   | Budget Year 2018/19 |               |               |               |               |               |               |               |               |               |               |                 | Medium Term Revenue and Expenditure Framework |                        |                        |
|----------------------------|---|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---|------------------------|------------------------|
| Description                |   | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June            | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Revenue By Source</b>   |   |                     |               |               |               |               |               |               |               |               |               |               |                 |   |                        |                        |
|                            | Property rates  | 3,448               | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 3,448         | 4,662           | 42,594  | 44,894                 | 47,363                 |
|                            | Service charges - electricity revenue   | 7,971               | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,971         | 7,142           | 94,819  | 99,939                 | 105,436                |
|                            | Service charges - water revenue   | 1,656               | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,656         | 1,725           | 16,944  | 21,021                 | 22,177                 |
|                            | Service charges - sanitation revenue  | 1,050               | 1,050         | 1,050         | 1,050         | 1,050         | 1,050         | 1,050         | 1,050         | 1,050         | 1,050         | 1,050         | (3,413)         | 8,579   | 9,042                  | 9,638                  |
|                            | Service charges - refuse revenue  | 801                 | 801           | 801           | 801           | 801           | 801           | 801           | 801           | 801           | 801           | 801           | 1,144           | 9,956   | 10,494                 | 11,071                 |
|                            | Service charges - other   | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | Rental of facilities and equipment  | 195                 | 195           | 195           | 195           | 195           | 195           | 195           | 195           | 195           | 195           | 195           | (1,375)         | 765   | 807                    | 851                    |
|                            | Interest earned - external investments  | 97                  | 97            | 97            | 97            | 97            | 97            | 97            | 97            | 97            | 97            | 97            | 1,924           | 2,992   | 3,153                  | 3,397                  |
|                            | Interest earned - outstanding debtors   | 547                 | 547           | 547           | 547           | 547           | 547           | 547           | 547           | 547           | 547           | 547           | 2,781           | 8,800   | 9,275                  | 9,705                  |
|                            | Dividends received  | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | Fines, penalties and forfeits   | 114                 | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | 114           | (242)           | 1,009   | 1,063                  | 1,122                  |
|                            | Licences and permits  | 371                 | 371           | 371           | 371           | 371           | 371           | 371           | 371           | 371           | 371           | 371           | 1,543           | 5,728   | 6,037                  | 6,369                  |
|                            | Agency services   | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | Transfers and subsidies   | 12,331              | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 12,331        | 26,119          | 161,767                                       | 170,330                | 179,533                |
|                            | Other revenue   | 1,141               | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | 1,141         | (7,777)         | 4,779   | 5,037                  | 5,314                  |
|                            | Gains on disposal of PPE  | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | <b>Total Revenue (excluding capital transfers and contribution)</b>   | <b>29,763</b>       | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>29,763</b> | <b>34,332</b>   | <b>361,722</b>                                | <b>381,093</b>         | <b>401,888</b>         |
| <b>Expenditure By Type</b> |   |                     |               |               |               |               |               |               |               |               |               |               |                 |   |                        |                        |
|                            | Employee related costs  | 9,893               | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 9,893         | 17,573          | 176,395                                       | 133,220                | 140,547                |
|                            | Remuneration of councillors   | 558                 | 558           | 558           | 558           | 558           | 558           | 558           | 558           | 558           | 558           | 558           | 3,395           | 9,574   | 10,039                 | 10,591                 |
|                            | Debt impairment   | 47                  | 47            | 47            | 47            | 47            | 47            | 47            | 47            | 47            | 47            | 47            | 14              | 535   | 564                    | 595                    |
|                            | Depreciation & asset impairment   | 3,195               | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 3,195         | 8,732           | 43,875  | 46,244                 | 48,788                 |
|                            | Finance charges   | 345                 | 345           | 345           | 345           | 345           | 345           | 345           | 345           | 345           | 345           | 345           | 1,515           | 5,414   | 5,706                  | 6,020                  |
|                            | Bulk purchases  | 8,558               | 8,558         | 8,558         | 8,558         | 8,558         | 8,558         | 8,558         | 8,558         | 8,558         | 8,558         | 8,558         | 10,024          | 105,291                                       | 110,945                | 117,047                |
|                            | Other materials   | 1,358               | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 1,358         | 6,183           | 8,757   | 9,230                  | 9,737                  |
|                            | Contracted services   | 2,712               | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 2,712         | 12,415          | 42,252  | 44,533                 | 46,983                 |
|                            | Transfers and subsidies   | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | 53                     | 56                     |
|                            | Other expenditure   | 2,255               | 2,255         | 2,255         | 2,255         | 2,255         | 2,255         | 2,255         | 2,255         | 2,255         | 2,255         | 2,255         | 12,475          | 37,389  | 39,407                 | 41,575                 |
|                            | Loss on disposal of PPE   | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | <b>Total Expenditure</b>  | <b>29,032</b>       | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>60,102</b>   | <b>379,451</b>                                | <b>399,941</b>         | <b>421,936</b>         |
|                            | <b>Surplus/(Deficit)</b>  | <b>731</b>          | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>731</b>    | <b>(25,770)</b> | <b>(17,729)</b>                               | <b>(18,848)</b>        | <b>(20,050)</b>        |
|                            | Transfers and subsidies - capital (monetary allocations); (National / Provincial and District)  | 4,522               | 4,522         | 4,522         | 4,522         | 4,522         | 4,522         | 4,522         | 4,522         | 4,522         | 4,522         | 4,522         | 44,692          | 94,432  | 136,594                | 97,393                 |
|                            | Transfers and subsidies - capital (monetary allocations); (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | Transfers and subsidies - capital (in-kind - all)   | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>  | <b>5,253</b>        | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>    | <b>76,703</b>                                 | <b>117,035</b>         | <b>72,343</b>          |
|                            | Taxation  | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | Attributable to minorities  | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | Share of surplus/(deficit) of associate   | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -               | -   | -                      | -                      |
|                            | <b>Surplus/(Deficit)</b>  | <b>5,253</b>        | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>    | <b>76,703</b>                                 | <b>117,035</b>         | <b>72,343</b>          |

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance



NC452 Ga-Segonyana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

| Description                                   | Ref      | Budget Year 2018/19 |               |               |               |               |               |               |               |               |               |               |               | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|
|   |          | July                | August        | Sept.         | October       | November      | December      | January       | February      | March         | April         | May           | June          | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Revenue by Vote</b>                        |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Vote 1 - EXECUTIVE & COUNCIL                  |          | 556                 | 556           | 556           | 556           | 556           | 556           | 556           | 556           | 556           | 556           | 556           | (16)          | 6,100   | 6,429                  | 6,783                  |
| Vote 2 - FINANCE AND ADMINISTRATION           |          | 4,637               | 4,637         | 4,637         | 4,637         | 4,637         | 4,637         | 4,637         | 4,637         | 4,637         | 4,637         | 4,637         | 13,451        | 64,463  | 67,944                 | 71,681                 |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES        |          | 43                  | 43            | 43            | 43            | 43            | 43            | 43            | 43            | 43            | 43            | 43            | 10,270        | 10,745  | 11,549                 | 11,326                 |
| Vote 4 - SPORTS & RECREATION                  |          | 135                 | 135           | 135           | 135           | 135           | 135           | 135           | 135           | 135           | 135           | 135           | 10,545        | 12,032  | 12,882                 | 13,379                 |
| Vote 5 - PUBLIC SAFETY                        |          | 6                   | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 432           | 500   | 527                    | 556                    |
| Vote 6 - PLANNING AND DEVELOPMENT             |          | 1,481               | 1,481         | 1,481         | 1,481         | 1,481         | 1,481         | 1,481         | 1,481         | 1,481         | 1,481         | 1,481         | (5,225)       | 11,565  | 11,653                 | 12,304                 |
| Vote 7 - ROAD TRANSPORT                       |          | 5,284               | 5,284         | 5,284         | 5,284         | 5,284         | 5,284         | 5,284         | 5,284         | 5,284         | 5,284         | 5,284         | (17,724)      | 40,400  | 42,582                 | 44,924                 |
| Vote 8 - ENVIRONMENTAL PROTECTION             |          | 5                   | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 249           | 307   | 341                    | 341                    |
| Vote 9 - ENERGY SOURCES                       |          | 12,336              | 12,336        | 12,336        | 12,336        | 12,336        | 12,336        | 12,336        | 12,336        | 12,336        | 12,336        | 12,336        | 9,139         | 144,837                                       | 152,658                | 161,054                |
| Vote 10 - WATER MANAGEMENT                    |          | 4,815               | 4,815         | 4,815         | 4,815         | 4,815         | 4,815         | 4,815         | 4,815         | 4,815         | 4,815         | 4,815         | 13,300        | 66,262  | 106,830                | 60,733                 |
| Vote 11 - WASTE WATER MANAGEMENT              |          | 1,973               | 1,973         | 1,973         | 1,973         | 1,973         | 1,973         | 1,973         | 1,973         | 1,973         | 1,973         | 1,973         | 47,718        | 69,418  | 73,166                 | 77,190                 |
| Vote 12 - WASTE MANAGEMENT                    |          | 3,007               | 3,007         | 3,007         | 3,007         | 3,007         | 3,007         | 3,007         | 3,007         | 3,007         | 3,007         | 3,007         | (3,125)       | 29,955  | 31,514                 | 33,310                 |
| Vote 13 - OTHER                               |          | 5                   | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 10            | 68  | 72                     | 76                     |
| Vote 14 - [NAME OF VOTE 14]                   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| <b>Total Revenue by Vote</b>                  |          | <b>34,285</b>       | <b>34,285</b> | <b>34,285</b> | <b>34,285</b> | <b>34,285</b> | <b>34,285</b> | <b>34,285</b> | <b>34,285</b> | <b>34,285</b> | <b>34,285</b> | <b>34,285</b> | <b>79,024</b> | <b>456,154</b>                                | <b>517,777</b>         | <b>494,281</b>         |
| <b>Expenditure by Vote to be appropriated</b> |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Vote 1 - EXECUTIVE & COUNCIL                  |          | 1,018               | 1,018         | 1,018         | 1,018         | 1,018         | 1,018         | 1,018         | 1,018         | 1,018         | 1,018         | 1,018         | 2,978         | 14,176  | 14,941                 | 15,763                 |
| Vote 2 - FINANCE AND ADMINISTRATION           |          | 11,097              | 11,097        | 11,097        | 11,097        | 11,097        | 11,097        | 11,097        | 11,097        | 11,097        | 11,097        | 11,097        | 29,507        | 151,571                                       | 159,755                | 168,542                |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES        |          | 880                 | 880           | 880           | 880           | 880           | 880           | 880           | 880           | 880           | 880           | 880           | 345           | 10,137  | 10,684                 | 11,272                 |
| Vote 4 - SPORTS & RECREATION                  |          | 770                 | 770           | 770           | 770           | 770           | 770           | 770           | 770           | 770           | 770           | 770           | (125)         | 8,347   | 8,797                  | 9,261                  |
| Vote 5 - PUBLIC SAFETY                        |          | 199                 | 199           | 199           | 199           | 199           | 199           | 199           | 199           | 199           | 199           | 199           | 1,062         | 3,247   | 3,422                  | 3,611                  |
| Vote 6 - PLANNING AND DEVELOPMENT             |          | 1,549               | 1,549         | 1,549         | 1,549         | 1,549         | 1,549         | 1,549         | 1,549         | 1,549         | 1,549         | 1,549         | 2,238         | 19,272  | 20,313                 | 21,430                 |
| Vote 7 - ROAD TRANSPORT                       |          | 1,767               | 1,767         | 1,767         | 1,767         | 1,767         | 1,767         | 1,767         | 1,767         | 1,767         | 1,767         | 1,767         | 1,362         | 20,796  | 21,919                 | 23,125                 |
| Vote 8 - ENVIRONMENTAL PROTECTION             |          | 37                  | 37            | 37            | 37            | 37            | 37            | 37            | 37            | 37            | 37            | 37            | (220)         | 192   | 202                    | 213                    |
| Vote 9 - ENERGY SOURCES                       |          | 7,403               | 7,403         | 7,403         | 7,403         | 7,403         | 7,403         | 7,403         | 7,403         | 7,403         | 7,403         | 7,403         | 10,993        | 92,421  | 97,412                 | 102,770                |
| Vote 10 - WATER MANAGEMENT                    |          | 2,526               | 2,526         | 2,526         | 2,526         | 2,526         | 2,526         | 2,526         | 2,526         | 2,526         | 2,526         | 2,526         | 1,607         | 29,449  | 31,039                 | 32,746                 |
| Vote 11 - WASTE WATER MANAGEMENT              |          | 554                 | 554           | 554           | 554           | 554           | 554           | 554           | 554           | 554           | 554           | 554           | 9,873         | 15,971  | 16,834                 | 17,759                 |
| Vote 12 - WASTE MANAGEMENT                    |          | 1,218               | 1,218         | 1,218         | 1,218         | 1,218         | 1,218         | 1,218         | 1,218         | 1,218         | 1,218         | 1,218         | 425           | 13,827  | 14,574                 | 15,376                 |
| Vote 13 - OTHER                               |          | 4                   | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | (4)           | 45  | 47                     | 50                     |
| Vote 14 - [NAME OF VOTE 14]                   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                   |          | -                   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -   | -                      | -                      |
| <b>Total Expenditure by Vote</b>              |          | <b>29,032</b>       | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>29,032</b> | <b>60,102</b> | <b>379,451</b>                                | <b>399,941</b>         | <b>421,938</b>         |
| <b>Surplus/(Deficit) before assoc.</b>        |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Taxation                                      |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Attributable to minorities                    |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| Share of surplus/(deficit) of associate       |          |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| <b>Surplus/(Deficit)</b>                      | <b>1</b> | <b>5,253</b>        | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>5,253</b>  | <b>18,922</b> | <b>76,703</b>                                 | <b>117,835</b>         | <b>72,343</b>          |

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

NC452 Ga-Segonyana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

| R thousand                              | Description | Ref | Budget Year 2018/19 |        |        |         |          |          |         |          |        |        |        |        | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-------------|-----|---------------------|--------|--------|---------|----------|----------|---------|----------|--------|--------|--------|--------|---|------------------------|------------------------|
|   |             |     | July                | August | Sept.  | October | November | December | January | February | March  | April  | May    | June   | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| Revenue - Functional                    |             |     | 5,193               | 5,193  | 5,193  | 5,193   | 5,193    | 5,193    | 5,193   | 5,193    | 5,193  | 5,193  | 5,193  | 5,193  | 70,563  | 74,373                 | 78,464                 |
| Governance and administration           |             |     | 556                 | 556    | 556    | 556     | 556      | 556      | 556     | 556      | 556    | 556    | 556    | 556    | 6,100   | 6,429                  | 6,783                  |
| Executive and council                   |             |     | 4,637               | 4,637  | 4,637  | 4,637   | 4,637    | 4,637    | 4,637   | 4,637    | 4,637  | 4,637  | 4,637  | 4,637  | 64,463  | 67,944                 | 71,681                 |
| Finance and administration              |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Internal audit                          |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Community and public safety             |             |     | 185                 | 185    | 185    | 185     | 185      | 185      | 185     | 185      | 185    | 185    | 185    | 185    | 23,278  | 24,535                 | 25,884                 |
| Community and public safety             |             |     | 43                  | 43     | 43     | 43      | 43       | 43       | 43      | 43       | 43     | 43     | 43     | 43     | 10,746  | 11,326                 | 11,949                 |
| Social and community services           |             |     | 135                 | 135    | 135    | 135     | 135      | 135      | 135     | 135      | 135    | 135    | 135    | 135    | 12,032  | 12,689                 | 13,379                 |
| Sport and recreation                    |             |     | 6                   | 6      | 6      | 6       | 6        | 6        | 6       | 6        | 6      | 6      | 6      | 6      | 500   | 527                    | 556                    |
| Public safety                           |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Housing                                 |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Health                                  |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Economic and environmental services     |             |     | 6,770               | 6,770  | 6,770  | 6,770   | 6,770    | 6,770    | 6,770   | 6,770    | 6,770  | 6,770  | 6,770  | 6,770  | 51,772  | 54,568                 | 57,569                 |
| Planning and development                |             |     | 1,481               | 1,481  | 1,481  | 1,481   | 1,481    | 1,481    | 1,481   | 1,481    | 1,481  | 1,481  | 1,481  | 1,481  | 11,065  | 11,563                 | 12,304                 |
| Road transport                          |             |     | 5,284               | 5,284  | 5,284  | 5,284   | 5,284    | 5,284    | 5,284   | 5,284    | 5,284  | 5,284  | 5,284  | 5,284  | 40,400  | 42,582                 | 44,924                 |
| Environmental protection                |             |     | 5                   | 5      | 5      | 5       | 5        | 5        | 5       | 5        | 5      | 5      | 5      | 5      | 307   | 323                    | 341                    |
| Trading services                        |             |     | 22,131              | 22,131 | 22,131 | 22,131  | 22,131   | 22,131   | 22,131  | 22,131   | 22,131 | 22,131 | 22,131 | 22,131 | 310,472                                       | 364,228                | 332,288                |
| Energy sources                          |             |     | 12,336              | 12,336 | 12,336 | 12,336  | 12,336   | 12,336   | 12,336  | 12,336   | 12,336 | 12,336 | 12,336 | 12,336 | 144,037                                       | 162,068                | 161,054                |
| Water management                        |             |     | 4,815               | 4,815  | 4,815  | 4,815   | 4,815    | 4,815    | 4,815   | 4,815    | 4,815  | 4,815  | 4,815  | 13,300 | 66,262  | 60,733                 |                        |
| Waste water management                  |             |     | 1,973               | 1,973  | 1,973  | 1,973   | 1,973    | 1,973    | 1,973   | 1,973    | 1,973  | 1,973  | 1,973  | 59,418 | 73,166  | 77,190                 |                        |
| Waste management                        |             |     | 3,007               | 3,007  | 3,007  | 3,007   | 3,007    | 3,007    | 3,007   | 3,007    | 3,007  | 3,007  | 3,007  | 29,955 | 31,574  | 33,310                 |                        |
| Other                                   |             |     | 5                   | 5      | 5      | 5       | 5        | 5        | 5       | 5        | 5      | 5      | 5      | 68     | 72  | 76                     |                        |
| Total Revenue - Functional              |             |     | 34,285              | 34,285 | 34,285 | 34,285  | 34,285   | 34,285   | 34,285  | 34,285   | 34,285 | 34,285 | 34,285 | 34,285 | 456,154                                       | 517,777                | 494,281                |
| Expenditure - Functional                |             |     | 12,115              | 12,115 | 12,115 | 12,115  | 12,115   | 12,115   | 12,115  | 12,115   | 12,115 | 12,115 | 12,115 | 12,115 | 165,746                                       | 174,697                | 184,305                |
| Governance and administration           |             |     | 1,018               | 1,018  | 1,018  | 1,018   | 1,018    | 1,018    | 1,018   | 1,018    | 1,018  | 1,018  | 1,018  | 1,018  | 14,176  | 14,941                 | 15,763                 |
| Executive and council                   |             |     | 11,097              | 11,097 | 11,097 | 11,097  | 11,097   | 11,097   | 11,097  | 11,097   | 11,097 | 11,097 | 11,097 | 11,097 | 151,571                                       | 159,755                | 168,542                |
| Finance and administration              |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Internal audit                          |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Community and public safety             |             |     | 1,859               | 1,859  | 1,859  | 1,859   | 1,859    | 1,859    | 1,859   | 1,859    | 1,859  | 1,859  | 1,859  | 1,859  | 21,731  | 22,904                 | 24,164                 |
| Community and public safety             |             |     | 890                 | 890    | 890    | 890     | 890      | 890      | 890     | 890      | 890    | 890    | 890    | 890    | 10,137  | 10,584                 | 11,272                 |
| Sport and recreation                    |             |     | 770                 | 770    | 770    | 770     | 770      | 770      | 770     | 770      | 770    | 770    | 770    | 770    | 8,347   | 8,797                  | 9,283                  |
| Public safety                           |             |     | 199                 | 199    | 199    | 199     | 199      | 199      | 199     | 199      | 199    | 199    | 199    | 199    | 3,247   | 3,472                  | 3,611                  |
| Housing                                 |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Health                                  |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Economic and environmental services     |             |     | 3,353               | 3,353  | 3,353  | 3,353   | 3,353    | 3,353    | 3,353   | 3,353    | 3,353  | 3,353  | 3,353  | 3,353  | 40,261  | 42,435                 | 44,769                 |
| Planning and development                |             |     | 1,549               | 1,549  | 1,549  | 1,549   | 1,549    | 1,549    | 1,549   | 1,549    | 1,549  | 1,549  | 1,549  | 1,549  | 19,272  | 20,313                 | 21,430                 |
| Road transport                          |             |     | 1,767               | 1,767  | 1,767  | 1,767   | 1,767    | 1,767    | 1,767   | 1,767    | 1,767  | 1,767  | 1,767  | 1,767  | 20,796  | 21,919                 | 23,125                 |
| Environmental protection                |             |     | 37                  | 37     | 37     | 37      | 37       | 37       | 37      | 37       | 37     | 37     | 37     | 37     | 192   | 202                    | 213                    |
| Trading services                        |             |     | 11,701              | 11,701 | 11,701 | 11,701  | 11,701   | 11,701   | 11,701  | 11,701   | 11,701 | 11,701 | 11,701 | 11,701 | 151,669                                       | 159,859                | 168,051                |
| Energy sources                          |             |     | 7,403               | 7,403  | 7,403  | 7,403   | 7,403    | 7,403    | 7,403   | 7,403    | 7,403  | 7,403  | 7,403  | 7,403  | 92,421  | 97,412                 | 102,770                |
| Water management                        |             |     | 2,526               | 2,526  | 2,526  | 2,526   | 2,526    | 2,526    | 2,526   | 2,526    | 2,526  | 2,526  | 2,526  | 2,526  | 29,449  | 31,039                 | 32,746                 |
| Waste water management                  |             |     | 554                 | 554    | 554    | 554     | 554      | 554      | 554     | 554      | 554    | 554    | 554    | 554    | 16,971  | 16,834                 | 17,769                 |
| Waste management                        |             |     | 1,218               | 1,218  | 1,218  | 1,218   | 1,218    | 1,218    | 1,218   | 1,218    | 1,218  | 1,218  | 1,218  | 1,218  | 13,827  | 14,574                 | 15,376                 |
| Other                                   |             |     | 4                   | 4      | 4      | 4       | 4        | 4        | 4       | 4        | 4      | 4      | 4      | 45     | 47  | 50                     |                        |
| Total Expenditure - Functional          |             |     | 29,032              | 29,032 | 29,032 | 29,032  | 29,032   | 29,032   | 29,032  | 29,032   | 29,032 | 29,032 | 29,032 | 29,032 | 379,451                                       | 399,941                | 421,938                |
| Surplus/(Deficit) before assoc.         |             |     | 5,253               | 5,253  | 5,253  | 5,253   | 5,253    | 5,253    | 5,253   | 5,253    | 5,253  | 5,253  | 5,253  | 5,253  | 76,703  | 117,835                | 72,343                 |
| Share of surplus/(deficit) of associate |             |     | -                   | -      | -      | -       | -        | -        | -       | -        | -      | -      | -      | -      | -   | -                      | -                      |
| Surplus/(Deficit)                       |             |     | 5,253               | 5,253  | 5,253  | 5,253   | 5,253    | 5,253    | 5,253   | 5,253    | 5,253  | 5,253  | 5,253  | 5,253  | 76,703  | 117,835                | 72,343                 |

References

1. Surplus (Deficit) must reconcile with audited Financial Performance

NC452 Ga-Segonyana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

| R thousand                                | Ref | Description                                | Budget Year 2018/19 |        |        |         |        |        |         |        |        |        |        |        | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|--|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|---|------------------------|------------------------|
|   |     |  | July                | August | Sept.  | October | Nov.   | Dec.   | January | Feb.   | March  | April  | May    | June   | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| 1   | 1   | Multi-year expenditure to be appropriated  | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 1 - EXECUTIVE & COUNCIL               | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 2 - FINANCE AND ADMINISTRATION        | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 3 - COMMUNITY AND SOCIAL SERVICES     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 4 - SPORTS & RECREATION               | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 5 - PUBLIC SAFETY                     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 6 - PLANNING AND DEVELOPMENT          | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 7 - ROAD TRANSPORT                    | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 8 - ENVIRONMENTAL PROTECTION          | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 9 - ENERGY SOURCES                    | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 10 - WATER MANAGEMENT                 | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 11 - WASTE WATER MANAGEMENT           | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 12 - WASTE MANAGEMENT                 | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 13 - OTHER                            | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 14 - [NAME OF VOTE 14]                | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 15 - [NAME OF VOTE 15]                | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
| 2   | 2   | Capital multi-year expenditure sub-total   | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Single-year expenditure to be appropriated | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 1 - EXECUTIVE & COUNCIL               | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 2 - FINANCE AND ADMINISTRATION        | 218                 | 218    | 218    | 218     | 218    | 218    | 218     | 218    | 218    | 218    | 218    | 218    | 2,620   | -                      | -                      |
|   |     | Vote 3 - COMMUNITY AND SOCIAL SERVICES     | 633                 | 633    | 633    | 633     | 633    | 633    | 633     | 633    | 633    | 633    | 633    | 633    | 7,591   | 398                    | -                      |
|   |     | Vote 4 - SPORTS & RECREATION               | 987                 | 987    | 987    | 987     | 987    | 987    | 987     | 987    | 987    | 987    | 987    | 987    | 11,840  | -                      | -                      |
|   |     | Vote 5 - PUBLIC SAFETY                     | 24                  | 24     | 24     | 24      | 24     | 24     | 24      | 24     | 24     | 24     | 24     | 24     | 285   | 24,823                 | 24,003                 |
|   |     | Vote 6 - PLANNING AND DEVELOPMENT          | 120                 | 120    | 120    | 120     | 120    | 120    | 120     | 120    | 120    | 120    | 120    | 120    | 1,438   | -                      | -                      |
|   |     | Vote 7 - ROAD TRANSPORT                    | 3,003               | 3,003  | 3,003  | 3,003   | 3,003  | 3,003  | 3,003   | 3,003  | 3,003  | 3,003  | 3,003  | 3,003  | 30,327  | 16,462                 | 28,716                 |
|   |     | Vote 8 - ENVIRONMENTAL PROTECTION          | 6                   | 6      | 6      | 6       | 6      | 6      | 6       | 6      | 6      | 6      | 6      | 6      | 75  | -                      | -                      |
|   |     | Vote 9 - ENERGY SOURCES                    | 83                  | 83     | 83     | 83      | 83     | 83     | 83      | 83     | 83     | 83     | 83     | 83     | 1,000   | -                      | -                      |
|   |     | Vote 10 - WATER MANAGEMENT                 | 2,975               | 2,975  | 2,975  | 2,975   | 2,975  | 2,975  | 2,975   | 2,975  | 2,975  | 2,975  | 2,975  | 2,975  | 11,317  | 83,834                 | 33,175                 |
|   |     | Vote 11 - WASTE WATER MANAGEMENT           | 4,293               | 4,293  | 4,293  | 4,293   | 4,293  | 4,293  | 4,293   | 4,293  | 4,293  | 4,293  | 4,293  | 4,293  | 33,583  | 11,186                 | 6,500                  |
|   |     | Vote 12 - WASTE MANAGEMENT                 | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 13 - OTHER                            | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 14 - [NAME OF VOTE 14]                | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   |     | Vote 15 - [NAME OF VOTE 15]                | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
| Capital single-year expenditure sub-total | 2   |  | 12,343              | 12,343 | 12,343 | 12,343  | 12,343 | 12,343 | 12,343  | 12,343 | 12,343 | 12,343 | 12,343 | 12,343 | 100,176                                       | 136,604                | 92,393                 |
|   | 2   | Total Capital Expenditure                  | 12,343              | 12,343 | 12,343 | 12,343  | 12,343 | 12,343 | 12,343  | 12,343 | 12,343 | 12,343 | 12,343 | 12,343 | 100,176                                       | 136,604                | 92,393                 |

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

NC452 Ga-Segonyana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

| R thousand                                    | Description                                | Ref | Budget Year 2018/19 |        |        |         |        |        |         |        |        |        |        |        | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|--|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|---|------------------------|------------------------|
|   |  |     | July                | August | Sept.  | October | Nov.   | Dec.   | January | Feb.   | March  | April  | May    | June   | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| 1   | <b>Capital Expenditure - Functional</b>    |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
|   | <b>Governance and administration</b>       |     | 218                 | 218    | 218    | 218     | 218    | 218    | 218     | 218    | 218    | 218    | 218    | 218    | 2,620   | -                      | -                      |
|   | Executive and council                      |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   | Finance and administration                 |     | 218                 | 218    | 218    | 218     | 218    | 218    | 218     | 218    | 218    | 218    | 218    | 218    | 2,620   | -                      | -                      |
|   | Internal audit                             |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   | <b>Community and public safety</b>         |     | 1,643               | 1,643  | 1,643  | 1,643   | 1,643  | 1,643  | 1,643   | 1,643  | 1,643  | 1,643  | 1,643  | 1,643  | 19,716  | 25,221                 | 24,003                 |
|   | Community and social services              |     | 633                 | 633    | 633    | 633     | 633    | 633    | 633     | 633    | 633    | 633    | 633    | 633    | 7,591   | 338                    | -                      |
|   | Sport and recreation                       |     | 987                 | 987    | 987    | 987     | 987    | 987    | 987     | 987    | 987    | 987    | 987    | 987    | 11,840  | -                      | -                      |
|   | Public safety                              |     | 24                  | 24     | 24     | 24      | 24     | 24     | 24      | 24     | 24     | 24     | 24     | 24     | 285   | 24,823                 | 24,003                 |
|   | Housing                                    |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   | Health                                     |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   | <b>Economic and environmental services</b> |     | 3,130               | 3,130  | 3,130  | 3,130   | 3,130  | 3,130  | 3,130   | 3,130  | 3,130  | 3,130  | 3,130  | 3,130  | 31,840  | 16,462                 | 28,716                 |
|   | Planning and development                   |     | 120                 | 120    | 120    | 120     | 120    | 120    | 120     | 120    | 120    | 120    | 120    | 120    | 1,438   | -                      | -                      |
|   | Road transport                             |     | 3,003               | 3,003  | 3,003  | 3,003   | 3,003  | 3,003  | 3,003   | 3,003  | 3,003  | 3,003  | 3,003  | 3,003  | 30,327  | 16,462                 | 28,716                 |
|   | Environmental protection                   |     | 6                   | 6      | 6      | 6       | 6      | 6      | 6       | 6      | 6      | 6      | 6      | 6      | 75  | -                      | -                      |
| 2   | <b>Trading services</b>                    |     | 7,352               | 7,352  | 7,352  | 7,352   | 7,352  | 7,352  | 7,352   | 7,352  | 7,352  | 7,352  | 7,352  | 7,352  | 46,000  | 95,000                 | 39,675                 |
|   | Energy sources                             |     | 83                  | 83     | 83     | 83      | 83     | 83     | 83      | 83     | 83     | 83     | 83     | 83     | 1,000   | -                      | -                      |
|   | Water management                           |     | 2,975               | 2,975  | 2,975  | 2,975   | 2,975  | 2,975  | 2,975   | 2,975  | 2,975  | 2,975  | 2,975  | 2,975  | 11,317  | 83,834                 | 33,175                 |
|   | Waste water management                     |     | 4,293               | 4,293  | 4,293  | 4,293   | 4,293  | 4,293  | 4,293   | 4,293  | 4,293  | 4,293  | 4,293  | 4,293  | 33,683  | 11,166                 | 6,500                  |
|   | Waste management                           |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   | Other                                      |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
| <b>Total Capital Expenditure - Functional</b> |  |     | 12,343              | 12,343 | 12,343 | 12,343  | 12,343 | 12,343 | 12,343  | 12,343 | 12,343 | 12,343 | 12,343 | 12,343 | 100,176                                       | 136,684                | 92,393                 |
| <b>Funded by:</b>                             |  |     |                     |        |        |         |        |        |         |        |        |        |        |        |   |                        |                        |
|   | National Government                        |     | 7,869               | 7,869  | 7,869  | 7,869   | 7,869  | 7,869  | 7,869   | 7,869  | 7,869  | 7,869  | 7,869  | 7,869  | 94,432  | 136,684                | 92,393                 |
|   | Provincial Government                      |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   | District Municipality                      |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
|   | Other transfers and grants                 |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
| <b>Transfers recognised - capital</b>         |  |     | 7,869               | 7,869  | 7,869  | 7,869   | 7,869  | 7,869  | 7,869   | 7,869  | 7,869  | 7,869  | 7,869  | 7,869  | 94,432  | 136,684                | 92,393                 |
| <b>Public contributions &amp; donations</b>   |  |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
| <b>Borrowing</b>                              |  |     | -                   | -      | -      | -       | -      | -      | -       | -      | -      | -      | -      | -      | -   | -                      | -                      |
| <b>Internally generated funds</b>             |  |     | 479                 | 479    | 479    | 479     | 479    | 479    | 479     | 479    | 479    | 479    | 479    | 479    | 5,745   | -                      | -                      |
| <b>Total Capital Funding</b>                  |  |     | 8,348               | 8,348  | 8,348  | 8,348   | 8,348  | 8,348  | 8,348   | 8,348  | 8,348  | 8,348  | 8,348  | 8,348  | 100,176                                       | 136,684                | 92,393                 |

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

check

| R thousand  | Budget Year 2018/19 |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|---------------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---|------------------------|------------------------|
|   | July                | August          | Sept.           | October         | November        | December      | January         | February        | March         | April           | May             | June            | Budget Year 2018/19                           | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Cash Receipts by Source</b>  |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |   |                        |                        |
| Property rates  | 1,558               | 8,756           | 3,473           | 3,044           | 2,112           | 2,126         | 2,205           | 2,545           | 1,556         | 2,256           | 2,112           | 3,015           | 35,226  | 38,150                 | 40,259                 |
| Service charges - electricity revenue   | 8,015               | 9,897           | 6,407           | 5,854           | 5,863           | 5,961         | 5,953           | 4,561           | 6,391         | 5,953           | 6,545           | 7,032           | 89,940  | 89,940                 | 89,940                 |
| Service charges - water revenue   | 1,354               | 1,310           | 1,417           | 900             | 2,014           | 1,317         | 2,077           | 1,317           | 1,317         | 1,317           | 1,317           | 1,206           | 15,953  | 17,020                 | 18,051                 |
| Service charges - sanitation revenue  | 612                 | 615             | 583             | 652             | 685             | 616           | 624             | 622             | 627           | 622             | 622             | 541             | 7,250   | 7,656                  | 8,108                  |
| Service charges - refuse revenue  | 353                 | 380             | 375             | 353             | 402             | 354           | 582             | 692             | 544           | 473             | 445             | 3,411           | 6,453   | 9,520                  | 9,400                  |
| Service charges - other   | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Rental of facilities and equipment  | 38                  | 27              | 42              | 47              | 49              | 40            | 63              | 73              | 120           | 45              | 158             | 92              | 765   | 807                    | 851                    |
| Interest earned - commercial investments  | 50                  | 362             | 555             | 776             | 262             | 198           | 55              | 55              | 75            | 80              | 65              | 594             | 2,592   | 3,153                  | 3,227                  |
| Interest earned - outstanding debtors   | 400                 | 303             | 454             | 403             | 455             | 455           | 529             | 510             | 500           | 500             | 510             | 1,474           | 6,200   | 9,275                  | 9,705                  |
| Dividends received  | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Fines, penalties and interests  | 13                  | 15              | 76              | 13              | 58              | 13            | 75              | 90              | 55            | 90              | 96              | 265             | 1,003   | 1,063                  | 1,122                  |
| Licences and permits  | 413                 | 424             | 750             | 305             | 411             | 415           | 510             | 305             | 230           | 575             | 240             | 545             | 5,728   | 6,107                  | 6,369                  |
| Agency services   | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Transfer receipts - operational   | 51,170              | 259             | -               | -               | 450             | 43,990        | -               | 2,121           | 53,025        | -               | -               | -               | 161,757                                       | 100,310                | 179,533                |
| Other revenue   | 151                 | 156             | 2,403           | 37              | 1,051           | 84            | 803             | 1,703           | 532           | 53              | 116             | (2,622)         | 4,779   | 5,107                  | 5,314                  |
| <b>Cash Receipts by Source</b>  | <b>75,086</b>       | <b>22,675</b>   | <b>16,334</b>   | <b>13,073</b>   | <b>13,866</b>   | <b>55,195</b> | <b>13,363</b>   | <b>14,798</b>   | <b>46,060</b> | <b>12,903</b>   | <b>12,269</b>   | <b>18,487</b>   | <b>335,318</b>                                | <b>352,245</b>         | <b>372,550</b>         |
| <b>Other Cash Flows by Source</b>   |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |   |                        |                        |
| Transfer receipts - capital   | 64,957              | -               | -               | 1,000           | -               | 24,842        | -               | -               | 13,383        | -               | -               | -               | 94,432  | 135,664                | 92,393                 |
| <b>Transfers and subsidies - capital (mandatory allocations) (National / Provincial / Local / Municipal / Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) &amp; Transfers and subsidies - capital (in-kind - all)</b> | <b>-</b>            | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>      | <b>-</b>        | <b>-</b>        | <b>-</b>      | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>                                      | <b>-</b>               | <b>-</b>               |
| Proceeds on disposal of PPC   | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Short term loans  | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Borrowing long term financing   | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Increases (decreases) in consumer deposits  | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Decreases (increases) in non-current debtors  | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Decrease (increase) of other non-current liabilities  | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Decrease (increase) in non-current provisions   | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| <b>Total Cash Receipts by Source</b>  | <b>120,783</b>      | <b>22,675</b>   | <b>16,334</b>   | <b>14,073</b>   | <b>13,866</b>   | <b>80,037</b> | <b>13,363</b>   | <b>14,798</b>   | <b>79,443</b> | <b>12,903</b>   | <b>12,269</b>   | <b>27,957</b>   | <b>439,770</b>                                | <b>489,906</b>         | <b>464,943</b>         |
| <b>Cash Payments by Type</b>  |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |   |                        |                        |
| Employee related costs  | 10,559              | 2,154           | 10,221          | 11,363          | 11,220          | 12,285        | 10,221          | 9,595           | 9,553         | 9,221           | 10,451          | 11,115          | 125,234                                       | 133,220                | 140,517                |
| Remuneration of councillors   | 784                 | 754             | 714             | 794             | 794             | 794           | 794             | 794             | 794           | 794             | 794             | 794             | 9,534   | 10,039                 | 10,561                 |
| Finance charges   | 417                 | 617             | 613             | 45              | 533             | 362           | 529             | 429             | 529           | 529             | 529             | 310             | 5,414   | 5,708                  | 5,920                  |
| bulk purchases - Electricity  | 4,217               | 11,853          | 4,000           | 4,000           | 4,000           | 10,000        | 1,200           | 6,200           | 10,200        | 8,200           | 6,200           | 5,100           | 80,261  | 84,555                 | 89,218                 |
| bulk purchases - Water & Sewer  | 1,009               | 4,120           | 1,060           | 1,060           | 2,030           | 3,180         | 2,330           | 2,030           | 2,030         | 2,030           | 2,030           | 2,751           | 25,000  | 25,350                 | 27,759                 |
| Other materials   | 113                 | 113             | 591             | 574             | 454             | 416           | 1,242           | 1,524           | 757           | 1,424           | 633             | 919             | 8,757   | 9,200                  | 9,737                  |
| Cash value services   | 1,163               | 1,163           | 2,532           | 2,457           | 1,371           | 5,112         | 4,112           | 5,112           | 5,533         | 5,112           | 5,565           | 2,531           | 42,252  | 44,533                 | 45,953                 |
| Transfers and grants - other municipalities   | -                   | 1               | 1               | 3               | 3               | 1             | 6               | 6               | 5             | 6               | 5               | 12              | 50  | 53                     | 56                     |
| Transfers and grants - other  | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| Other expenditure   | 951                 | 2,573           | 1,439           | 2,057           | 1,342           | 2,542         | 3,882           | 3,040           | 3,822         | 3,802           | 3,852           | 6,175           | 37,382  | 39,407                 | 41,575                 |
| <b>Cash Payments by Type</b>  | <b>19,405</b>       | <b>30,726</b>   | <b>21,355</b>   | <b>22,542</b>   | <b>22,389</b>   | <b>35,399</b> | <b>24,016</b>   | <b>30,001</b>   | <b>33,323</b> | <b>31,227</b>   | <b>32,411</b>   | <b>32,217</b>   | <b>335,041</b>                                | <b>353,133</b>         | <b>372,586</b>         |
| <b>Other Cash Flow Payments by Type</b>   |                     |                 |                 |                 |                 |               |                 |                 |               |                 |                 |                 |   |                        |                        |
| Capital assets  | 9,195               | 5,475           | 12,036          | 7,549           | 13,319          | 6,573         | 5,317           | 6,317           | 6,317         | 5,317           | 6,317           | 14,030          | 100,175                                       | 135,664                | 92,393                 |
| Payment of borrowing  | 2,142               | 42              | 27              | 25              | 16              | 2,169         | 25              | 25              | 25            | 25              | 25              | 20              | 4,550   | -                      | -                      |
| Other Cash Flow Payments  | -                   | -               | -               | -               | -               | -             | -               | -               | -             | -               | -               | -               | -   | -                      | -                      |
| <b>Total Cash Payments by Type</b>  | <b>30,742</b>       | <b>36,244</b>   | <b>33,674</b>   | <b>30,416</b>   | <b>35,697</b>   | <b>46,122</b> | <b>30,416</b>   | <b>36,343</b>   | <b>39,665</b> | <b>37,569</b>   | <b>39,733</b>   | <b>46,226</b>   | <b>419,763</b>                                | <b>489,317</b>         | <b>484,969</b>         |
| <b>NET INCREASE (DECREASE) IN CASH HELD</b>   | <b>90,040</b>       | <b>(13,569)</b> | <b>(15,039)</b> | <b>(16,343)</b> | <b>(21,831)</b> | <b>35,916</b> | <b>(19,053)</b> | <b>(21,545)</b> | <b>40,286</b> | <b>(24,566)</b> | <b>(24,444)</b> | <b>(10,359)</b> | <b>(990)</b>                                  | <b>151</b>             | <b>(68)</b>            |
| Cash/cash equivalents at the beginning of the year  | 2,636               | 130,546         | 105,017         | 71,438          | 59,035          | 69,205        | 52,265          | 66,209          | 30,621        | 71,117          | 45,451          | 16,267          | 2,205   | 1,505                  | 1,759                  |
| Cash/cash equivalents at the end of the year  | 101,676             | 116,977         | 90,017          | 55,095          | 37,204          | 105,121       | 33,212          | 44,664          | 70,907        | 46,551          | 21,007          | 6,908           | 1,215   | 1,656                  | 1,691                  |

4. Note that this section of Table SA.30 is automatically derived from the cash flow and working the cash flows that the cash flow will differ from budgeted reviews and similarly for budgeted expenditure. However for the MT2021 it is new.

NC452 Ga-Segonyana - Supporting Table SA32 List of external mechanisms

| External mechanism             | Yrs/<br>Mths | Period of<br>agreement 1. | Service provided   | Expiry date of service<br>delivery agreement or<br>contract | Monetary value<br>of agreement 2. |
|--------------------------------|--------------|---------------------------|--|---|-----------------------------------|
| Name of organisation           |              | Number                    |  |   | R thousand                        |
| ITEC COMMUNICATION             | Yrs          | 5                         | Maintenance of System and Telephone Network                              | 01 September 2021   | 3,072                             |
| MK SECURITY PROTECTION PTY LTD | Yrs          | 3                         | Provision of Security Services   | 30 September 2018   | 22,500                            |
| MOGASWA INC ATTORNEYS          | Yrs          | 3                         | Debt Collections   | 01 October 2020   |                                   |
| MUNSOFT                        | Yrs          | 3                         | Provision of Integrated Financial Management and Internal Control System | 31 May 2019   | 4,856                             |
| AFRIBITS TECHNOLOGY CONSULTING | Yrs          | 2                         | Provision for Public IP Internet Services                                | 31 December 2019  | 126                               |
| LITHA LELUWE CONSULTING        | Yrs          | 3                         | VAT CONSULTANTS  | 30 June 2018  |                                   |
| ROADSPAN SURFACE PTY LTD       | Yrs          | 2                         | Supply of Cold Mix asphalt   | 30 April 2018   |                                   |
| ODG SYSTEM                     | Mths         | 10                        | Preparation of Annual Financial Statements                               | 30 November 2018  | 5,717                             |

References

1. Total agreement period from commencement until end

2. Annual value

NC452 Ga-Segonyana - Supporting Table SA33 Contracts having future budgetary implications

| R thousand | Description   | Ref | Preceding Years | Current Year 2017/18 | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 | Forecast 2026/27 | Forecast 2027/28 | Total Contract Value |
|------------|---|-----|-----------------|----------------------|---|------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
|            |   |     |                 |                      | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |                  |                  |                  |                  |                  |                  |                  |                      |
| 1,3        | Parent Municipality: Revenue Obligation By Contract | 2   | Total           | Original Budget      |   |                        |                        | Estimate         | Estimate         | Estimate         | Estimate         | Estimate         | Estimate         | Estimate         | Estimate             |
|            | Total Operating Revenue Implication                 |     | -               | -                    | -   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |
|            | Expenditure Obligation By Contract                  | 2   |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | CIGCELL   |     |                 |                      | 3,500   | 3,689                  | 3,052                  |                  |                  |                  |                  |                  |                  |                  | 11,081               |
|            | MUMSOFT   |     |                 |                      | 4,866   | 5,118                  | 5,389                  |                  |                  |                  |                  |                  |                  |                  |                      |
|            | MOGASWA   |     |                 |                      | 1,000   | 1,581                  | 1,068                  |                  |                  |                  |                  |                  |                  |                  | 9,498                |
|            | ILITHA  |     |                 |                      | 3,000   | 3,162                  | 3,336                  |                  |                  |                  |                  |                  |                  |                  | 533                  |
|            | INSIDE DATA   |     |                 |                      | 200   | 211                    | 222                    |                  |                  |                  |                  |                  |                  |                  | 41,334               |
|            | Total Operating Expenditure Implication             |     | -               | -                    | 13,055  | 13,751                 | 14,517                 | -                | -                | -                | -                | -                | -                | -                | -                    |
|            | Capital Expenditure Obligation By Contract          | 2   |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 1  |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 2  |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 3 etc                                      |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Total Capital Expenditure Implication               |     | -               | -                    | -   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |
|            | Total Parent Expenditure Implication                |     | -               | -                    | 13,056  | 13,751                 | 14,517                 | -                | -                | -                | -                | -                | -                | -                | 41,334               |
|            | Entities:   |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Revenue Obligation By Contract                      | 2   |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 1  |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 2  |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 3 etc                                      |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Total Operating Revenue Implication                 |     | -               | -                    | -   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |
|            | Expenditure Obligation By Contract                  | 2   |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 1  |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 2  |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 3 etc                                      |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Total Operating Expenditure Implication             |     | -               | -                    | -   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |
|            | Capital Expenditure Obligation By Contract          | 2   |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 1  |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 2  |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Contract 3 etc                                      |     |                 |                      |   |                        |                        |                  |                  |                  |                  |                  |                  |                  |                      |
|            | Total Capital Expenditure Implication               |     | -               | -                    | -   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |
|            | Total Entity Expenditure Implication                |     | -               | -                    | -   | -                      | -                      | -                | -                | -                | -                | -                | -                | -                | -                    |

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTRCF (MTRCF 5.2.3)
3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1 million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million







|   |       |         |         |         |        |        |        |        |        |
|---|-------|---------|---------|---------|--------|--------|--------|--------|--------|
| <b>Community Assets</b>   | 5,294 | -       | -       | 3,816   | 3,816  | -      | 18,104 | 25,221 | 34,003 |
| Community Facilities  | 5,294 | -       | -       | 3,816   | 3,816  | -      | 7,088  | 25,221 | 34,003 |
| Atrium  | 1,138 | -       | -       | 3,816   | 3,816  | -      | 7,556  | 339    | -      |
| Cinema  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Civic Hall  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Civic Centre  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Fire/Rescue Station   | -     | -       | -       | -       | -      | -      | -      | 24,882 | 24,882 |
| Teaching Station  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Museum  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Galleries   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Theatres  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Libraries   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Cemeteries/Conservatories   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Police  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Parks   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Public Open Spaces  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Nature Reserves   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Public Abandon Facilities   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Marine  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Stable  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Abolition   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Ampitheatre   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Two Rivers/Bus Terminals  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Capital Spaces  | 5,193 | -       | -       | -       | -      | -      | 10,545 | -      | -      |
| Sport and Recreation Facilities   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Indoor Facilities   | -     | -       | -       | -       | -      | -      | 12,545 | -      | -      |
| Outdoor Facilities  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Capital Spaces  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| <b>Heritage Assets</b>  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Monuments   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Historic Buildings  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Works of Art  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Conservation Areas  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Other Heritage  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| <b>Investment Properties</b>  | 4,936 | -       | -       | -       | -      | -      | -      | -      | -      |
| Revenue Generating  | 4,936 | -       | -       | -       | -      | -      | -      | -      | -      |
| Improved Property   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Unimproved Property   | 4,936 | -       | -       | -       | -      | -      | -      | -      | -      |
| Non-revenue Generating  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Improved Property   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Unimproved Property   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| <b>Other Assets</b>   | 4,641 | -       | 186     | -       | 200    | -      | -      | -      | -      |
| Operational Buildings   | 4,641 | -       | 186     | -       | 200    | -      | -      | -      | -      |
| Municipal Offices   | 3,670 | -       | -       | -       | -      | -      | -      | -      | -      |
| Pay/Station Points  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Cycling/Ped Office  | -     | -       | 186     | -       | -      | -      | -      | -      | -      |
| Workshops   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Yards   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Stores  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Laboratories  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Training Centre   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Manufacturing Plant   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Depots  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Capital Spaces  | 571   | -       | -       | -       | 200    | -      | -      | -      | -      |
| Housing   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Staff Housing   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Social Housing  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Dental Services   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| <b>Biological or Cultivated Assets</b>  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Biological or Cultivated Assets   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| <b>Intangible Assets</b>  | -     | 131     | 400     | -       | -      | -      | 130    | -      | -      |
| Patents   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Licences and Rights   | -     | 131     | 400     | -       | -      | -      | 130    | -      | -      |
| Water Rights  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Effluent Licences   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Solid Waste Licences  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Computer Software and Applications  | -     | 121     | 400     | -       | -      | -      | 130    | -      | -      |
| Local Government Software Applications  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Unspecified   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| <b>Computer Equipment</b>   | 53    | -       | -       | 315     | 400    | -      | -      | -      | -      |
| Computer Equipment  | 53    | -       | -       | 315     | 400    | -      | -      | -      | -      |
| <b>Furniture and Office Equipment</b>   | 1,237 | 4,986   | 1,814   | 2,620   | -      | -      | 2,005  | -      | -      |
| Furniture and Office Equipment  | 1,237 | 4,986   | 1,814   | 2,620   | -      | -      | 2,005  | -      | -      |
| <b>Machinery and Equipment</b>  | -     | -       | 1,514   | 610     | 1,000  | -      | 3,810  | -      | -      |
| Machinery and Equipment   | -     | -       | 1,514   | 610     | 1,000  | -      | 3,810  | -      | -      |
| <b>Transport Assets</b>   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Transport Assets  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| <b>Utilities</b>  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Utilities   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| <b>Zoo's, Marine and Non-biological Assets</b>  | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| Zoo's, Marine and Non-biological Assets   | -     | -       | -       | -       | -      | -      | -      | -      | -      |
| <b>Total Capital Expenditure on new assets</b>  | 1     | 123,287 | 118,284 | 123,527 | 55,236 | 21,510 | -      | 24,849 | 34,861 |
| <b>Revenues</b>   |       |         |         |         |        |        |        |        |        |
| 1. Total Capital Expenditure on new assets (SAGM) plus Total Capital Expenditure on repairs of existing assets (SAGM) plus Total Capital Expenditure on upgrading of existing assets (SAGM) must reconcile to total capital |       |         |         |         |        |        |        |        |        |

NC452 Ga-Segonyana - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

| Description  |  | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand   |  | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure   |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Roads Infrastructure   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Roads  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Road Structures  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Road Furniture   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capital Spares   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Storm water infrastructure   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Drainage Collection  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Storm water Conveyance   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Attenuation  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Electricity Infrastructure   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Power Plants   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| HV Substations   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| HV Switching Station   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| HV Transmission Conductors   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| MV Substations   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| MV Switching Stations  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| MV Networks  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| LV Networks  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capital Spares   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Water Supply Infrastructure  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Dams and Weirs   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Damhoes  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Reservoirs   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Pump Stations  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Water Treatment Works  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Bulk Mains   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Distribution   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Distribution Points  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| PPV Stations   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capital Spares   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Sanitation Infrastructure  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Pump Station   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rehabilitation   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Water Treatment Works  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Outfall Sewers   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Toilet Facilities  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capital Spares   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Solid Waste Infrastructure   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Landfill Sites   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Transfer Stations  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Processing Facilities  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Drop-off Points  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Separation Facilities  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Electromy Generation Facilities  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capital Spares   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rail Infrastructure  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rail Lines   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rail Structures  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rail Furniture   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Drainage Collection  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Storm water Conveyance   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Attenuation  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| MV Substations   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| LV Networks  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capital Spares   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Coastal Infrastructure   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Sea Pumps  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Piers  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Breakwaters  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Promenades   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capital Spares   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Information and Communication Infrastructure                               |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Data Centres   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Core Layers  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Distribution Layers  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capital Spares   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Community Assets   |  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Community Facilities   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Halls  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Centres  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Cribs  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Clinics/Care Centres   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Fire/Ambulance Stations  |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Testing Stations   |  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |









|  |       |        |        |        |        |        |        |        |        |
|--|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Theatres                                   | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Lobbies                                    | -     | -      | 102    | 83     | 90     | -      | -      | -      | -      |
| Seventies/Corrosion                        | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Parks                                      | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Parks Open Space                           | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Public Reserves                            | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Public Auction Facilities                  | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Markets                                    | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Stalls                                     | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Auditoria                                  | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Aquaria                                    | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Fun/Fun/Bio/Terrarium                      | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Capital Spaces                             | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Sport and Recreation Facilities            | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Indoor Facilities                          | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Outdoor Facilities                         | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Capital Spaces                             | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Heritage assets</b>                     | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Monuments                                  | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Historic Buildings                         | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Works of Art                               | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Conservation Areas                         | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Other Heritage                             | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Investment properties</b>               | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Revenue Generating                         | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Unimproved Property                        | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Unimproved Property                        | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Revenue Generating                         | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Unimproved Property                        | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Unimproved Property                        | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Other assets</b>                        | 0     | -      | 650    | 445    | 445    | -      | 1,591  | 1,771  | 1,885  |
| Operational Buildings                      | 0     | -      | 650    | 445    | 445    | -      | 1,591  | 1,771  | 1,885  |
| Municipal Office                           | 0     | -      | 650    | 445    | 445    | -      | 1,591  | 1,771  | 1,885  |
| Pay/Equity Point                           | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Building Plan Office                       | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Workshop                                   | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Yards                                      | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Stalls                                     | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Laboratory                                 | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Training Centre                            | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Manufacturing Plant                        | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Stalls                                     | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Capital Spaces                             | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Housing                                    | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Staff Housing                              | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Social Housing                             | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Capital Spaces                             | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Biological or Cultivated Assets</b>     | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Biological or Cultivated Assets            | -     | -      | -      | -      | -      | -      | 314    | 331    | 349    |
| <b>Intangible Assets</b>                   | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Software                                   | -     | -      | -      | -      | -      | -      | 314    | 331    | 349    |
| Licences and Rights                        | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Water Rights                               | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Effluent Licences                          | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Good Name Licences                         | -     | -      | -      | -      | -      | -      | 314    | 331    | 349    |
| Computer Software and Applications         | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Linux Software Software Applications       | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Unspecified                                | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Computer Equipment</b>                  | 331   | -      | -      | 1,455  | 1,100  | -      | -      | -      | -      |
| Computer Equipment                         | 331   | -      | -      | 1,455  | 1,100  | -      | -      | -      | -      |
| <b>Furniture and Office Equipment</b>      | 1,100 | 1,100  | 1,535  | 241    | 241    | -      | 1,289  | 1,450  | 1,512  |
| Furniture and Office Equipment             | 1,100 | 1,100  | 1,535  | 241    | 241    | -      | 1,289  | 1,450  | 1,512  |
| <b>Machinery and Equipment</b>             | 2,084 | 2,215  | 2,085  | -      | -      | -      | 273    | 288    | 303    |
| Machinery and Equipment                    | 2,084 | 2,215  | 2,085  | -      | -      | -      | 273    | 288    | 303    |
| <b>Transport Assets</b>                    | 8,529 | 8,345  | 8,852  | 1,325  | 1,325  | -      | 2,914  | 2,755  | 2,907  |
| Transport Assets                           | 8,529 | 8,345  | 8,852  | 1,325  | 1,325  | -      | 2,914  | 2,755  | 2,907  |
| <b>Libraries</b>                           | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Libraries                                  | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Zoos, Marine and Non-Marine Animals</b> | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| Zoos, Marine and Non-Marine Animals        | -     | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Total Depreciation</b>                  | 1     | 45,864 | 41,479 | 51,788 | 36,201 | 36,201 | 43,875 | 46,266 | 48,778 |

#### Revisions

1. Depreciation based on net book value. Net book value Depreciation resulting from revision

|        |   |   |   |    |     |   |        |       |       |
|--------|---|---|---|----|-----|---|--------|-------|-------|
| Change | - | - | - | 30 | (5) | - | 43,875 | 7,389 | 2,567 |
|--------|---|---|---|----|-----|---|--------|-------|-------|

## NC452 Ga-Seonyang - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

[illegible]



|  |      |      |      |      |        |        |        |        |         |
|--|------|------|------|------|--------|--------|--------|--------|---------|
| Public Amenity Facilities  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Markets  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Stable   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Abattoirs  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Airports   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Tier 1 Sewerage Treatment  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Capital Spares   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Scenic and Recreation Facilities                                 | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Water Facilities   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Outdoor Facilities   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Capital Spares   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Heritage Assets</b>   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Monuments  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Historic Buildings   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Works of Art   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Conservation Areas   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Other Heritage   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Investment Properties</b>                                     | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Revenue Generating   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Improved Property  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Unimproved Property  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Non-revenue Generating   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Improved Property  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Unimproved Property  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Other Assets</b>  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Operational Buildings  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Municipal Offices  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Pay/Deposit Points   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Building Plan Office   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Workshops  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Yards  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Stores   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Laboratories   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Training Centres   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Administrative Plans   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Depots   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Capital Spares   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Housing  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Staff Housing  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Social Housing   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Capital Spares   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Biological or Cultural Assets</b>                             | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Biological or Cultural Assets                                    | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Intangible Assets</b>   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Services   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Licences and Rights  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Water Rights   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Effluent Licences  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Sole Mains Licence   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Computer Software and Applications                               | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Local Software/ Software Applications                            | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Unspecified  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Computer Equipment</b>  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Computer Equipment   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Furniture and Office Equipment</b>                            | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Furniture and Office Equipment                                   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Machinery and Equipment</b>                                   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Machinery and Equipment  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Transport Assets</b>  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Transport Assets   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Libraries</b>   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Libraries  | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Zoo's Marine and Non-biological Animals</b>                   | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| Zoo's Marine and Non-biological Animals                          | -    | -    | -    | -    | -      | -      | -      | -      | -       |
| <b>Total Capital Expenditure on upgrading of existing assets</b> | 1    | -    | -    | -    | -      | 88,670 | -      | 75,527 | 101,822 |
| <b>Upgrading of Existing Assets as % of total capex</b>          | 0.0% | 0.0% | 0.0% | 0.0% | 72.4%  | 0.0%   | 15.2%  | 74.5%  | 67.0%   |
| <b>Upgrading of Existing Assets as % of deprecia*</b>            | 0.0% | 0.0% | 0.0% | 0.0% | 121.0% | 0.0%   | 171.1% | 222.2% | 126.5%  |

1. Total Capital Expenditure on upgrading of existing assets (S434c) plus Total Capital Expenditure on new assets (S434d) plus Total Capital Expenditure on renewal of existing assets (S434e) must reconcile to total capital expenditure.

Other Salaries - - - - - 100,176,218 96,567,313 44,280,526

NC452 Ga-Segonyana - Supporting Table SA35 Future financial implications of the capital budget

| Vote Description                        | Ref      | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        | Forecasts        |                  |                  |               |
|---|----------|---|------------------------|------------------------|------------------|------------------|------------------|---------------|
|   |          | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Present value |
| <b>R thousand</b>                       |          |   |                        |                        |                  |                  |                  |               |
| <b>Capital expenditure</b>              | <b>1</b> |   |                        |                        |                  |                  |                  |               |
| Vote 1 - EXECUTIVE & COUNCIL            |          | -   | -                      | -                      |                  |                  |                  |               |
| Vote 2 - FINANCE AND ADMINISTRATION     |          | 2,620   | -                      | -                      |                  |                  |                  |               |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES  |          | 7,591   | 398                    | -                      |                  |                  |                  |               |
| Vote 4 - SPORTS & RECREATION            |          | 11,840  | -                      | -                      |                  |                  |                  |               |
| Vote 5 - PUBLIC SAFETY                  |          | 285   | 24,623                 | 24,003                 |                  |                  |                  |               |
| Vote 6 - PLANNING AND DEVELOPMENT       |          | 1,438   | -                      | -                      |                  |                  |                  |               |
| Vote 7 - ROAD TRANSPORT                 |          | 30,327  | 16,462                 | 28,716                 |                  |                  |                  |               |
| Vote 8 - ENVIRONMENTAL PROTECTION       |          | 75  | -                      | -                      |                  |                  |                  |               |
| Vote 9 - ENERGY SOURCES                 |          | 1,000   | -                      | -                      |                  |                  |                  |               |
| Vote 10 - WATER MANAGEMENT              |          | 11,317  | 83,834                 | 33,175                 |                  |                  |                  |               |
| Vote 11 - WASTE WATER MANAGEMENT        |          | 33,683  | 11,166                 | 6,500                  |                  |                  |                  |               |
| Vote 12 - WASTE MANAGEMENT              |          | -   | -                      | -                      |                  |                  |                  |               |
| Vote 13 - OTHER                         |          | -   | -                      | -                      |                  |                  |                  |               |
| Vote 14 - [NAME OF VOTE 14]             |          | -   | -                      | -                      |                  |                  |                  |               |
| Vote 15 - [NAME OF VOTE 15]             |          | -   | -                      | -                      |                  |                  |                  |               |
| List entity summary if applicable       |          |   |                        |                        |                  |                  |                  |               |
| <b>Total Capital Expenditure</b>        |          | <b>100,176</b>                                      | <b>136,684</b>         | <b>92,393</b>          | -                | -                | -                | -             |
| <b>Future operational costs by vote</b> | <b>2</b> |   |                        |                        |                  |                  |                  |               |
| Vote 1 - EXECUTIVE & COUNCIL            |          | 14,176  | 14,941                 | 15,763                 |                  |                  |                  |               |
| Vote 2 - FINANCE AND ADMINISTRATION     |          | 151,571   | 159,755                | 168,542                |                  |                  |                  |               |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES  |          | 10,137  | 10,684                 | 11,272                 |                  |                  |                  |               |
| Vote 4 - SPORTS & RECREATION            |          | 8,347   | 8,797                  | 9,261                  |                  |                  |                  |               |
| Vote 5 - PUBLIC SAFETY                  |          | 3,247   | 3,422                  | 3,611                  |                  |                  |                  |               |
| Vote 6 - PLANNING AND DEVELOPMENT       |          | 19,272  | 20,313                 | 21,430                 |                  |                  |                  |               |
| Vote 7 - ROAD TRANSPORT                 |          | 20,796  | 21,919                 | 23,125                 |                  |                  |                  |               |
| Vote 8 - ENVIRONMENTAL PROTECTION       |          | 192   | 202                    | 213                    |                  |                  |                  |               |
| Vote 9 - ENERGY SOURCES                 |          | 92,421  | 97,412                 | 102,770                |                  |                  |                  |               |
| Vote 10 - WATER MANAGEMENT              |          | 29,449  | 31,039                 | 32,746                 |                  |                  |                  |               |
| Vote 11 - WASTE WATER MANAGEMENT        |          | 15,971  | 16,834                 | 17,759                 |                  |                  |                  |               |
| Vote 12 - WASTE MANAGEMENT              |          | 13,827  | 14,574                 | 15,376                 |                  |                  |                  |               |
| Vote 13 - OTHER                         |          | 45  | 47                     | 50                     |                  |                  |                  |               |
| Vote 14 - [NAME OF VOTE 14]             |          |   |                        |                        |                  |                  |                  |               |
| Vote 15 - [NAME OF VOTE 15]             |          |   |                        |                        |                  |                  |                  |               |
| List entity summary if applicable       |          |   |                        |                        |                  |                  |                  |               |
| <b>Total future operational costs</b>   |          | <b>379,451</b>                                      | <b>399,941</b>         | <b>421,938</b>         | -                | -                | -                | -             |
| <b>Future revenue by source</b>         | <b>3</b> |   |                        |                        |                  |                  |                  |               |
| Property rates                          |          | 42,594  | 44,894                 | 47,363                 |                  |                  |                  |               |
| Service charges - electricity revenue   |          | 94,619  | 99,939                 | 105,436                |                  |                  |                  |               |
| Service charges - water revenue         |          | 19,944  | 21,021                 | 22,177                 |                  |                  |                  |               |
| Service charges - sanitation revenue    |          | 8,579   | 9,042                  | 9,539                  |                  |                  |                  |               |
| Service charges - refuse revenue        |          | 9,956   | 10,494                 | 11,071                 |                  |                  |                  |               |
| Service charges - other                 |          | -   | -                      | -                      |                  |                  |                  |               |
| Rental of facilities and equipment      |          | 765   | 807                    | 851                    |                  |                  |                  |               |
| Interest earned - external investments  |          | 2,992   | 3,153                  | 3,327                  |                  |                  |                  |               |
| Interest earned - outstanding debtors   |          | 8,800   | 9,275                  | 9,765                  |                  |                  |                  |               |
| Dividends received                      |          | -   | -                      | -                      |                  |                  |                  |               |
| Fines, penalties and forfeits           |          | 1,009   | 1,063                  | 1,122                  |                  |                  |                  |               |
| Licences and permits                    |          | 5,728   | 6,037                  | 6,369                  |                  |                  |                  |               |
| Agency services                         |          | -   | -                      | -                      |                  |                  |                  |               |
| Transfers and subsidies                 |          | 161,757   | 170,330                | 179,533                |                  |                  |                  |               |
| Other revenue                           |          | 4,779   | 5,037                  | 5,314                  |                  |                  |                  |               |
| Gains on disposal of PPE                |          | -   | -                      | -                      |                  |                  |                  |               |
| <b>Total future revenue</b>             |          | <b>186,449</b>                                      | <b>198,625</b>         | <b>209,550</b>         | -                | -                | -                | -             |
| <b>Net Financial Implications</b>       |          | <b>291,178</b>                                      | <b>337,999</b>         | <b>304,781</b>         | -                | -                | -                | -             |

**References**

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)





## 2018/19 MIG IMPLEMENTATION PLAN

| ITEM   | Draft Budget 2018/19   | Forecast Budget 2019/20 | Forecast Budget 2020/21 |
|--|------------------------|-------------------------|-------------------------|
| Upgrading of gravel internal road to paved road in Pietbos                       | 2,557,723.93           |                         |                         |
| Upgrading of gravel internal road to paved road in Seven Miles                   | 11,374,088.27          | 5,876,530.96            |                         |
| Upgrading of gravel internal road to paved road in Neweng                        | 283,522.65             |                         |                         |
| Upgrading of gravel internal road to paved road in Seoding RDP                   | 347,566.52             |                         |                         |
| Upgrading of gravel internal road to paved road in Magojaneng                    | 646,058.30             |                         |                         |
| Upgrading of gravel internal road to paved road in Bankhara Bodulong             | 15,118,509.37          | 785,000.00              |                         |
| Upgrading of gravel internal road to paved road in Mothibistad Unit 2            |                        | R 7,800,722.36          | R 13,149,393.26         |
| MIG 1428: Upgrading of gravel internal road to paved road in Gamopedi            |                        |                         | 10,674,113.67           |
| MIG 1427: Upgrading of gravel internal road to paved road in Kagung              |                        |                         |                         |
| Rural Sanitation programme   | 11,361,283.01          | 8,618,469.04            |                         |
| Construction of Sedibeng community hall  | 7,559,247.95           | 397,855.15              |                         |
| Construction of Batlharos Ward 8 community hall                                  |                        |                         | 7,000,000.00            |
| Construction of Kuruman Firestation and emergency disaster management facilities |                        | 26,823,422.49           | R 21,894,493.10         |
| Development of Sports Facilities in Mothibistad                                  | 10,545,000.00          |                         |                         |
| PMU  | 3,000,000.00           | 3,000,000.00            | 3,500,000.00            |
| Upgrading of the vergenoeg - Maruping link road to bituminous standard           |                        |                         |                         |
| Upgrading of the vergenoeg - Batlharos link road to bituminous standard          |                        |                         |                         |
| Upgrading of Mandela Drive to Mothibistad road                                   |                        |                         |                         |
| Giantatelang water network extension   |                        |                         |                         |
| Construction of Seven Miles community hall                                       |                        |                         |                         |
| <b>TOTAL VALUE OF PROJECTS</b>   | <b>R 62,793,000.00</b> | <b>R 53,302,000.00</b>  | <b>R 56,218,000.03</b>  |
| <b>APPROVED MIG ALLOCATION</b>   | <b>R 62,793,000.00</b> | <b>R 53,302,000.00</b>  | <b>R 56,218,000.00</b>  |



2018/19 WSIG IMPLEMENTATION PLAN

| PROJECT NAME  | 2018/19 Draft Budget | 2019/20 Forecast Budget | 2020/21 Forecast Budget |
|---|----------------------|-------------------------|-------------------------|
| ITEM  | Amount               | Amount                  | Amount                  |
| Magojaneng water supply extension                             |                      |                         | 8,002,366.00            |
| Seeding water supply extension                                |                      |                         |                         |
| Construction of Seven Miles Bulk water supply phase 2         | 1,274,147.88         |                         |                         |
| Magojaneng Block D water supply VS Dikgweng                   |                      | R 16,000,000.00         |                         |
| Mapoteng water network extensions                             |                      |                         |                         |
| Mokalamosesane bulk water supply                              | 442,173.61           |                         |                         |
| Kagang/West Derby bulk water supply phase 3                   |                      | 15,486,797.78           | 3,110,744.75            |
| Batharos water source development and drought relief          | 9,600,969.07         | R 3,654,886.90          |                         |
| Extension of Pietbos water supply                             |                      | R 6,000,000.00          |                         |
| Mapoteng Source Development                                   |                      | R 11,835,141.88         | 553,680.25              |
| WSOS  |                      | R 9,436,200.22          |                         |
| Maruping/Batharos bulk water supply phase 3                   |                      | R 18,646,313.52         |                         |
| Bankhara Bodulong water extensions                            |                      |                         | 10,236,543.00           |
| Upgrading of internal water supply to Kuruman and Wrenchville |                      | R 12,414,454.92         | R 17,771,666.00         |
| Rural sanitation programme: Bankhara Bodulong and Ward 7      |                      |                         | -                       |
| Refurbishment Kuruman STW & sewage pump station               |                      |                         |                         |
|   | 23,228,893.64        | 976,003.93              |                         |
| Refurbishment of Mothibstad oxidation ponds                   | 10,453,815.80        | 550,200.85              |                         |
| Ditshoswaneng water extension network: phase 2                |                      |                         |                         |
| <b>TOTAL VALUE OF PROJECTS</b>                                | <b>45,000,000.00</b> | <b>95,000,000.00</b>    | <b>39,675,000.00</b>    |
| <b>DORA ALLOCATION</b>  | <b>45,000,000.00</b> | <b>95,000,000.00</b>    | <b>39,675,000.00</b>    |





| <b>NEW ASSETS 2018/19</b>      | <b>AMOUNT</b>       |
|--------------------------------|---------------------|
| INTANGIBLE ASSETS              | 130,000.00          |
| OFFICE FURNITURE AND EQUIPMENT | 2,004,500.00        |
| MACHINERY AND EQUIPMENT        | 3,610,000.00        |
| <b>TOTAL NEW ASSETS</b>        | <b>5,744,500.00</b> |







# APPENDIX A



# **GA-SEGONYANA LOCAL MUNICIPALITY**



## **INDIGENT HOUSEHOLD POLICY**

# GA-SEGONYANA LOCAL MUNICIPALITY

## SUBSIDY POLICY: INDIGENT HOUSEHOLDS

### 1. PREAMBLE

- 1.1 With reference to the Constitution in particular Chapter 7 Section 152, which states:

The objects of Local Government are –

- a) "to provide democratic and accountable government for local communities;
- b) to ensure the provision of services to communities in a sustainable manner;
- c) to promote social and economic development;
- d) to promote a safe and healthy environment and
- e) to encourage the involvement of communities and community organisations in the matters of local government."

It is essential that the Municipality should strive within its financial and administrative capacity, to achieve the objectives quoted.

- 1.2 In its quest to achieve a constitutional mandate the Municipality finds itself having to deliver yet other related (but not necessarily constitutional per se) services and objectives. Amongst those is the issue of indigents and how they have to be catered for within the spirit of co-operative governance.

### 2. DEFINITIONS

**Indigents** are defined as those people, due to a number of factors, who are unable to make monetary contribution towards basic services, no matter how small the amounts seem to be.

A **household** consists of one or more people who live in the same dwelling and also share at meals or living accommodation, and may consist of a single family.

**Free basic service** is defined as the minimum amount of basic levels of services, provided on a day to day basis, sufficient to cover or cater for the basic needs of the poor households

**Income** is defined as the amount of money or its equivalent received during a period of time in exchange for labor or services, from the sale of goods or property, or as profit from financial investments.

Any household that earn income from government grants regardless of the total government grants received in that household will qualify to register as indigents. This is in line with the National Framework on Implementation of municipal indigent policies.

A **pensioner** refers to an individual currently earning any form of a grant from the government of RSA including but not limited to Old age grant, child support grant,



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foster care grant, etc. This only applies for the purpose on administering the municipality's indigent management policy.

### **3. BUDGET FOR THE INDIGENT SUPPORT**

The Municipality accepts the principle of uniform tariff structures and that the equitable share is there to provide basic services but also accept the responsibility to ensure that the poor receive basic services by tailoring affordable tariffs.

The Municipality will utilise transparent cross-subsidies within and between services as well as equitable share allocations to enable poor households to gain access to at least basic services through tariffs that cover only operating and maintenance costs.

Indigent households qualify for exemption from assessment rate payment, refuse removal and sewerage basic charges and services but only upon registration as indigents.

### **4. REGISTERING INDIGENTS**

The following steps are used to register indigents and indigent households from time to time:

- 4.1 Accessible registration points identified by Council, which are made publicly known.
- 4.2 Completion of an official registration form by the indigents on which the onus lies to submit the form at the identified registration points.
- 4.3 The required documentation, i.e. proof of income/affidavit must be attached where applicable for example letter from employer, salary advice, pension card, UIF card.
- 4.4 The municipality relies on indigent committee for approvals and disapprovals

### **5. ADMINISTRATIVE PROCEDURES**

- 5.1 The indigent committee consisting of a Finance Director, Revenue manager, Free Basic Officer and ward councillors will approve the application and arrange the implementation of the indigent subsidy to the account holder.
- 5.2 The approval will be valid for a financial year, provided funds are available and the circumstances of the household are unchanged.
- 5.3 Indigent households where the Municipality is providing basic services will be obliged to apply any time during the financial year at the Municipality offices.
- 5.4 Indigent households where the Municipality is not providing basic services will be obliged to register any time during the financial year at the ward

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councillor's office.

- 5.5 The subsidy will not apply to households owning more than one property and receiving rental income that when is combined with other income of the family exceeds R4 340.

### **6. QUALIFICATION CRITERIA FOR THE SELECTION OF INDIGENTS**

- 6.1 Child headed households will be declared indigents upon reporting the death status of the parents at the Municipality. The following documents are required:
- 6.1.1 Certified copies of death certificates of parents or breadwinner
  - 6.1.2 Certified copies of identity documents of parents or breadwinner.
  - 5.5.2 An affidavit that states that the oldest child is responsible for other children.
  - 5.5.3 Outstanding debt as at date of death of the last parent should be written off as irrecoverable.
- 6.2 On site inspection may be performed by municipal officials
- 6.3 A person found to be indigent must be registered in a database linked to a debtor's system after the application has been checked and authorised by a senior official in the debt collection department.
- 6.4 If the status of an indigent change, the Financial Manager should be immediately informed by the ward councillor.
- 6.5 Misusers of the system will be deregistered and be suspended for a period of three years when incorrect information was supplied.
- 6.6 The Municipality may impose other conditions and procedures deemed necessary from time to time.
- 6.7 The Council may from time to time appoint agents or use community development workers and ward committees to assist the Financial Manager on a yearly basis to determine by survey, which of the households could be classified as indigent.

### **7. MAXIMUM CONSUMPTION LEVELS FOR INDIGENTS**

- 7.1 To prevent the misuse of services and possible fraudulent activities by indigents of the Indigent Policy, Council is obliged to establish the following maximum consumption levels for indigent households per month.

|                         |   |
|-------------------------|---|
| Water consumption       | 6 kl.                                     |
| Electricity consumption | 50 kWh.                                   |
| Refuse and sewerage     | 100% rebate on services and basic charge. |

### **8. SUSPENSION OF SERVICES TO INDIGENT HOUSEHOLDS**

- 8.1 Services to classified indigent households must be suspended when

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indigents fail to pay for services consumed up and above determined levels which are not paid in full as levied on the monthly account.

8.2 Classified indigent consumers will be held responsible for services rendered and services will be suspended for any consumption up and above the subsidised levies per month.

8.3 If the subsidy is a lesser amount as indicated in 7.1 in accordance with the calculated equitable share allocation received from National Government per Indigent Household, the indigent consumer will be held responsible for services rendered. If the customer is always in arrears the municipality will install prepaid meters for electricity and water to control the debt.

### **9. INDIGENT EXIT PROGRAMME**

Ward councillors are encouraged to inform individuals who have been on the indigent register for a long time to apply for contract workers positions and EPWP and LED projects to assist in poverty alleviation that will result in the indigent moving away from poverty trap.

### **10. COLLECTION OF OUTSTANDING ARREARS AMOUNTS**

The conditions of the Debt Collection Policy and By-law will prevail for the collection of any arrears amount to be collected from an indigent household.

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### 11. APPLICATION FORM

## GA-SEGONYANA MUNICIPALITY

### Application Form for Household Indigence Subsidy

In an effort to assist the needy population of Ga-Segonyana in the payment of municipal services for **Indigence Households**, the Municipal Council has agreed to a subsidy scheme whereby households **earning equal to or less than R4 340 per month** would have certain services fully or partially subsidized. If you feel that you do qualify, fill in the details of all the occupants of your household as at the date of this application, together with their respective gross monthly income in the space below (hand in the form personally at any Treasury pay point):

### PERSONAL PARTICULARS OF ALL OCCUPANTS EARNING AN INCOME

|                 |               |                                   |                   |          |                      |                  |
|-----------------|---------------|-----------------------------------|-------------------|----------|----------------------|------------------|
| Ward Number:    | Stand number: | Municipal Account Number:         |                   |          |                      |                  |
|                 |               | Prepaid Electricity Meter Number: |                   |          |                      |                  |
| Street Address: |               |                                   |                   |          |                      |                  |
| Identity Number | Initials      | Surname                           | Employed (Yes/No) | Employer | Gross Monthly Income | Source of Income |
| 1               |               |                                   |                   |          |                      |                  |
| 2               |               |                                   |                   |          |                      |                  |
| 3               |               |                                   |                   |          |                      |                  |
| 4               |               |                                   |                   |          |                      |                  |
| 5               |               |                                   |                   |          |                      |                  |
| 6               |               |                                   |                   |          |                      |                  |
| 7               |               |                                   |                   |          |                      |                  |

❖ **Note:** The applicant's name should be in the number one shaded space above.

### DECLARATION BY THE APPLICANT:

I, the undersigned, who reside at the address indicated above and is the account holder, hereby apply for the Household Indigence Subsidy determined in relation to the income indicated above, and solemnly declare that:

- All particulars furnished in this form, including the total gross income of myself and all occupants of the premises, are to the best of my knowledge and belief, true and correct;
- If particulars furnished in this form should change for any reason, I will immediately notify the Council;
- I, or any other occupant, do not own any other property in the Republic of South Africa, apart from the property indicated on the account for which the application is made;
- I agree that Council Officials and/or the Social Worker may conduct an on-site audit to verify the information supplied on this declaration;
- I agree that the supply of water to my premises may be restricted by a flow control washer or any other method the Council may deem fit if the balance of my services is not paid in full at the cost of the account holder (applicant);
- **If you don't pay the previous month's Account you are going to forfeit the free basic services for the next month.**
- I am aware that I must be a South African citizen and older than 18 years (Child headed families younger than 18 years).
- If any information submitted should be found to be untrue, I would automatically be disqualified from receiving any subsidy, will be liable for the immediate repayment of any subsidy payments received, and may have criminal proceedings instituted against me as the Council may deem fit.
- **IMPORTANT:** To prevent the misuse of services and possible fraudulent activities by indigents of the Indigent Policy, Council is obliged to establish the following Free Basic consumption levels for indigent households per month:

## GA-SEGONYANA LOCAL MUNICIPALITY

Water consumption: 6 kl  
100% free Refuse removal

Electricity consumption: 50 kWh  
100% free sanitation

I am conversant with the contents of the declaration and understand it. I have no objection to taking this oath. I regard the Prescribed Oath as binding to my conscience.

Signature (Declarant): .....

Name

(Declarant):

I certify that the above declaration has been administered by me and that the declarant acknowledged that he/she is conversant with the contents and understands it. This declaration has been made upon oath and the declarant's signature has been applied in my presence on

(Date) ..... At (Venue) .....

(Commissioner of Oaths): ..... No: ..... Rank: .....









# APPENDIX B





## **GA-SEGONYANA LOCAL MUNICIPALITY**

# **TARIFF POLICY**

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## **1. PREAMBLE**

The Ga-Segonyana Municipality's Tariff Policy must be compiled, adopted and implemented in terms of Section 74 of the Municipal Systems Act. This Policy provides levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements. In setting its annual tariffs, the Council shall at all time take due cognisance of the tariffs applicable elsewhere in the economic region and of the impact which its own tariffs may have on local economic development.

The Annexure to the policy is a Tariff Structure compiled in terms of Ga-Segonyana Municipality's Tariff Policy.

## **2. LEGISLATION**

The guiding principles used in developing the Ga-Segonyana Municipality Tariff Policy were sourced from the following legislation:

- The Constitution of the Republic South Africa Act, No. 108 of 1996.
- The Municipal Systems Act, No. 32 of 2000.
- The Municipal Finance Management Act, No. 56 of 2003.
- The Local Government Transition Act, No. 97 of 1996.
- The Local Authorities Ordinance, No. 25 of 1974.
- The Water Services Act, No. 108 of 1997.
- The Electricity Act, No. 41 of 1987.

## **3. OBJECTIVES**

The objectives of the Tariff Policy are to ensure the following:

- The tariffs of the Municipality conform to acceptable policy principles;
- Municipal services are financially sustainable;
- There is certainty in the Council, of how the tariffs will be determined;
- Tariffs of the Municipality comply with the applicable legislation; and
- Tariffs should take into consideration relief to the indigent.

#### **4. TARIFF POLICY PRINCIPLES**

A set of Principles to guide the Tariff Policy are as follows:

**4.1 Payment in Proportion to the amount consumed.**

Consumers should pay in a proportion to the amount of services consumed.

**4.2 Full Payment of service costs.**

All households, with the exception of the indigent, should pay the full cost of services consumed. (Refer to Indigent Policy)

**4.3 Ability to pay.**

Municipalities should develop a system of targeted subsidies to ensure that poor households have at least a minimum level of basic services. (Refer to Indigent Policy)

**4.4 Fairness.**

Tariff policies should be fair in that all people should be treated equitably.

**4.5 Transparency.**

Tariff policy should be transparent to all consumers and must be visible and understandable.

**4.6 Local determination of tariff levels.**

Municipality have the flexibility to develop their own tariffs in accordance with these principles.

**4.7 Consistent tariff enforcement.**

A consistent policy for dealing with non-payment of tariffs must be developed.

**4.8 Ensure Local Economic Competitiveness.**

Municipal tariff must not unduly burden the local business through higher tariffs, as these costs may affect the sustainability and competitiveness of such businesses.

These Tariff Policy Principles were incorporated into the Local Government Municipal Systems Act, No. 32 of 2000. In terms of Section 74(2) of the Local Government Municipal Systems Act, No. 32 of 2000, the Municipality's Tariff Policy must reflect at least the following principles, namely that:

- i. Users of municipal services should be treated equitably in the application of tariffs;
- ii. The amount individual users pay for services should generally be in proportion to their use of that service;
- iii. Poor households must have access to at least basic services through:
  - a. Tariff that cover only operating and maintenance costs;
  - b. Special or life line tariffs for low levels of use or consumption of services or for basic level of services; or
  - c. Any other direct or indirect method of subsidisation of tariffs for poor households.
- iv. Tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement costs and interest charges;
- v. Tariffs must be set at levels that facilitate the financial sustainability of the services, taking into account subsidisation from sources other than the services concerned. A service is financially sustainable when it is provided in a manner that would ensure its financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing and replacing the physical assets used in its provision;
- vi. Provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
- vii. Provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users; and
- viii. The economical, efficient and effective use of resources, the recycling of wastes and other appropriate environmental objectives must be encouraged.
- ix. The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

## **5. NEED FOR A TARIFF POLICY**

### **5.1 Revenue Adequacy and Certainty.**

The Municipality must have access to adequate sources of revenue to enable it to carry out its functions. The Municipality must:

- i. Fully exploit the available sources of revenue to meet its development objectives; and
- ii. Be reasonably certain of its revenue to allow for realistic planning.



## 5.2 Sustainability.

Financial sustainability requires that the Municipality must ensure that its budget balances. This means that the Municipality must ensure that:

- i. Services are provided at affordable levels; and
- ii. It is able to recover the cost of service delivery.

The Municipality must set a realistic budget in order to prevent exceeding the budget or failing to establish a proper financial management controls.

The Municipality believes that all members of the community have the right to have access to at least a minimum level of basic services. Therefore, there is a need to subsidise poor households, who are unable to pay even a proportion of service costs.

## 5.3 Effectiveness and Efficient usage of Resources.

Resources are scarce and must be used in the best possible way to reap the maximum Benefit for the community. However, there are no mechanisms available to ensure that Municipality's decisions will ensure effective allocation of resources. It is therefore Important that the community provide the necessary checks and balances. They can do this by participating in the budget process. In addition, performance audits should Audits should be carried out by the office of the Auditor-General. Efficiencies in Spending and resource allocation will ultimately increase the access of the poor to basic services.

## 5.4 Accountability, Transparent and Good Governance.

The Municipality must be accountable to the community for the use of its resources. Councillors must be able to:

- i. Justify their expenditure decisions; and
- ii. Explain why and how the revenue necessary to sustain expenditure is raised.

Budget and the financial affairs of the Municipality must be open to public scrutiny. The community should be part of the decision-making process about how revenue is raised and spend. Community participation in budgeting should include those groups in the community, such as women, who face particular constraints in participating. It must also include a capacity-building component to ensure that people understand the prioritisation process (Why resources are allocated to one area rather than another).

## 5.5 Equity and Redistribution.

The Municipality must treat members of the community equitably with regard to the Provision of services.

## 5.6 Development and Investment.

Meeting basic needs in the context of existing services backlogs, will require increased Investment in municipal infrastructure.

# 6. IMPLEMENTATION OF TARIFF POLICY

## 6.1 Free Basic Services

A basic service is a service that is necessary to ensure an acceptable and reasonable Quality of life and, if not provided, would endanger public health or safety of the environment. The Municipality will aim to achieve the goal of providing free basic services to poor households. Therefore, this Tariff Policy has been developed in conjunction with the Ga-Segonyana Municipality's Indigent Policy.

The specific services are:

- Electricity;
- Water;
- Sewerage; and
- Refuse Removal.

The Council is aware that it currently does not provide all these services to all residents within its municipal area. It is also aware that some of the services it currently provides in conjunction with the above-mentioned services may be transferred or assigned to other bodies. In the latter case, the Council commits to make representations and negotiate with those service providers to achieve its goal.

## 6.2 Affordable Tariffs

The Council is aware of the financial situation of most residents within the municipal area. Therefore, the Council undertakes to keep tariffs at affordable levels.

In order to ensure that tariffs remain affordable, the Council will ensure that:

- Services are delivered at an appropriate level;
- Efficiency improvement are actively pursued across the Municipality's operations;
- A performance management system is introduced to ensure that plans that are devised are actually implemented, that resources are obtained as economically as possible, used efficiently and effectively and that appropriate service delivery mechanisms are used;

To increase affordability for indigent persons, the Council will ensure that its equitable share of revenue raised nationally, will be used to subsidise a certain level of basic services for them.

### 6.3 Tariff Equality for Services and Property Rates

The Council believes that all residents and ratepayers must pay the same tariff for the same level and quality of service. However different categories of properties can have different tariffs.

### 6.4 Property Rates

Property Rates must be levied and is payable in respect of all ratable properties within the municipal jurisdiction area. The Council will ensure that all properties are valued in terms of the applicable legislation during the next financial year. The Tariffs for Property Rates will be reviewed at least once during every financial year and be used by the Municipality to perform its functions.

### 6.5 Payment for Services Rendered

The Council believes that consumers of services must pay for the amount of services that they use. Where it is possible to measure the consumption of services, the Council intends to install metering system and also take into account the free service element.

### 6.6 Local Economic Development and Competitiveness

The Council will take care that the municipal account presented to local businesses are fair. To ensure fairness toward local business, the Council will, when it determines tariffs, take into account the desire:

- To promote local economic competitiveness; and
- To promote local economic development and growth.

The Municipality levy property rates on market related value and this include the land and building.

### 6.7 Service Delivery Sustainability

The Municipality must ensure that the services that it provides must be sustainable. The tariff for service must be sufficient to cover the cost of the initial capital expenditure and interest thereon, managing and operating the service and maintaining, repairing and replacing the physical assets used in its provision.

## 6.8 Tariff Determination

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. The Council will review its tariffs during the preparation of the annual budget in accordance with the policy stated above.

Immediately after the Council has determined or amended a tariff, the municipal manager must display it at all the offices of the Municipality as well as at such other places within the municipal area as may be determined. Any person who desire to object to such determination or amendment must do so in writing within 14 days after the date on which the notice was displayed.

If no objection is lodged within the period stated in the notice, the determination or amendment will come into operation on the date determined by the Council.

Where an objection is lodged, the Municipality will consider the objection. The Council may, after it has considered all objections, confirm, amend, or withdraw the determination or amendment and may determine another on the date on which the determination or amendment will come into operation.

## 7. SOURCES OF REVENUE

In terms of section 229 of the Constitution of the Republic of South Africa Act No.108 Of 1996, the Municipality may impose:

- i. Rates on Property and surcharges on fees for services provided by or on behalf of the Municipality; and
- ii. If authorised by National Legislation, other taxes, levies and duties appropriate to Local Government, but it may not impose income tax, value-added tax, general sales tax or customs duty.

The power of a Municipality to impose rates on property, surcharges on fees for services Provided by or on behalf of the Municipality, or other taxes, levies or duties:

- i. May not be exercised in a way that materially and unreasonably prejudices National Economic Policies, economic activities across municipal boundaries, or the National Mobility of goods, services, capital or labour; and
- ii. May be regulated by National Legislation.

In terms of section 4(1)(a) of the Local Government Municipal Systems Act, No. 32 of 2000, the Council may finance the affairs of the Municipality by:

- i. Charging fees for services; and
- ii. Imposing surcharges on fees, rates on property and to the extent authorised by National Legislation, other taxes, levies and duties.

The Municipality will establish appropriate mechanisms, procedures and processes to Ensure community participation in, amongst other things, the preparation of its budget.

The following provisions will be applicable:

- i. Rates can be paid in not less than 11 consecutive monthly instalments in a financial year if it cannot be paid in one lump sum;
- ii. The revenue of the Municipality consists of the rates, taxes, fees, charges, fines and other sums imposed or recoverable by or payable to the Council under any law;
- iii. Interest is charge equals to Prime Rate + 1%.

Section 16 of the Local Government Municipal Systems Act, No. 32 of 2000 requires the Municipality to establish appropriate mechanisms, procedures and processes to ensure community participation in, amongst other things, the preparation of its Budget.

Section 10G(a)(ii) of the Local Government Transition Act, No. 97 of 1996 authorises the Municipality to levy and recover, by resolution supported by a majority of the members of Council levies, fees, taxes and tariffs in respect of any function or services of the Municipality. It further authorises the Municipality, when it determines Property Rates, levies, fees, taxes and tariffs:

- i. Differentiate between different categories of users or property on such grounds as it may deem reasonable;
- ii. In respect of services charges from time to time by resolution, amend or withdraw such determination, amendment or withdrawals will come into operation;
- iii. Advertise on notice boards calling for objections; and
- iv. Recover any charges so determined or amended, including interest on any outstanding amount.

## **8. TARIFF STRATEGY**

The Council's strategy is to recover the full financial cost of rendering the services required By the community from the community, including the cost of capital:

- i. The starting point to recover cost is the determination of service levels. These shall be based on basic human needs;
- ii. The second point will be to ensure a sustainable service delivery based on the set service levels; and
- iii. The third point will be the upgrade of services to higher levels in accordance with the affordability of the community and the ability to render the upgraded services in a sustainable manner.

### **8.1 Recovery of Cost.**

Resource management expenditure is those activities that are required to regulate, manage and maintain the services.

## 8.2 Capital Costs (Depreciation).

Capital cost expenditure is the Council's obligation to meet the repayment on loans negotiated to finance the provision of the service.

## 8.3 Maintenance Costs.

These are normal running costs to maintain the services at the established level of service provision.

## 8.4 Consumption/Usage.

In the case of measurable services, the actual cost of usage of the services is easily determined.

## 8.5 Cost of Immeasurable Services

These services are normally community and subsidised services and the cost will be recoverable through a rating policy as determined from time to time. Recovery of costs will therefore be equalised over the total area of jurisdiction of the Council and the principle of collective payment will apply.

# **9. CLASSIFICATION OF SERVICES**

Traditionally, municipal services have been classified into four groups based on how they are financed. The four groups are as follows:

## 9.1 Trading Services.

Water and electricity provision are trading services. Typically the consumption of a Trading services is measurable and can be apportioned to an individual consumer. These Services are managed like businesses. The tariffs for these services are determined in such a way that a net trading surplus is realized. The trading surplus is used to subsidise the tariff of non-trading services, in other words to relieve property rates.

## 9.2 Economical Services.

Sewerage and domestic household removal are economic services. The consumption of an economic service can be measured or determined with reasonable accuracy and apportioned to an individual consumer. Whilst they are also managed like businesses, the tariffs for these services are normally determined in such a way that user charges cover the cost of providing the service.



### 9.3 Subsidised Services.

Subsidised services include fire fighting, approving building plans and the construction of Buildings, leasing of municipal facilities, selling of burial sites and certain town planning Functions. Subsidised services are those services the consumption of which can be Determined reasonably accurately and apportioned to individuals and consumers. However, if the tariffs of using this service were based on its real cost, nobody would be Able to afford it. In most cases not only would the consumer benefit from using the Service, but also other persons. A user charge is payable for using the service, but the Tariff is much lower than the real cost of providing the service.

### 9.4 Community Services

Community services are those services the consumption of which cannot be determined nor apportioned to individual consumers. These services are typically financed through finance rates. Examples are the establishment, operation and maintenance of parks and recreation facilities, provision and maintenance of roads and storm water drainage systems, the establishment, management and maintenance of cemeteries and traffic regulation.

The Municipality also provides services in support of the above-mentioned services. These are called staff functions and include committee services, records and archives, Financial management accounting and stores, occupational health and human resources Management. These services are financed through property rates.

## **10. CATEGORIES OF USERS**

The tariff structure of the Ga-Segonyana Municipality will make provision for the Following categories of users:

- i. Domestic;
- ii. Commercial;
- iii. Industrial;
- iv. Agricultural;
- v. Rural;
- vi. Municipal Services; and
- vii. Special agreement for users not falling in any of the above-mentioned categories.

## **11. TARIFF CHARGES**

### 11.1 Property Taxation

The major source of local taxation is the property tax (property rates). The owners of property in municipal area have to pay a tax based on a valuation of their properties in order to finance certain municipal services. While this tax is by no means the sole source of municipal revenue, it is an important source of discretionary revenue for the Municipality and enables it to function effectively. For details of property taxation refer

to the Property Rates Policy of the Ga-Segonyana Municipality.

## 11.2 Services Charges

An important source of local own revenue is charges that are directly related to the provision of municipal services. The majority of these are utility charges, such as electricity and water which have contributed significantly to the growth of Municipalities' Revenue. Cost recovery is an essential part of sustainable service delivery. In adopting What is fundamentally a two-part tariff structure, namely a fixed availability charge Coupled with a charge based on consumption, the municipality believes that it is properly Attending to the demands which both future expansion and variable demand cycles and Other fluctuations will make on service delivery.

### 11.2.1 Electricity

The various categories of electricity consumers, as set out below, shall be charged at the Applicable tariffs, as approved by the Council in each annual budget. Tariff adjustments shall be effective from 1 July each year or as soon as possible thereafter.

Categories of consumption and charges shall be as follows:

- i. All electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- ii. All domestic electricity consumers of the municipality who are registered as indigents with the municipality shall receive free the first 50kWh of electricity consumed per month.

### 11.2.2 Water

The categories of water consumers as set out below shall be charged at the applicable Tariffs, as approved by the Council in each annual budget. Tariff adjustment shall be Effective from 1 July each year.

Categories of consumption and charges shall be as follows:

- i. All domestic water consumers registered as indigents with the municipality shall receive free the first 6 kl of water consumed per month. Thereafter normal tariff charge per consumption will apply.
- ii. All other domestic consumers shall be charged for actual water consumption.
- iii. All other consumers, including businesses, industries and institutional consumers shall pay the same single tariff per kl, irrespective of the volume of water consumed.

### 11.2.3 Refuse Removal

The categories of refuse removal users as set out below shall be charged at the applicable Tariffs, as approved by the Council in each annual budget. Tariff adjustment shall be Effective from 1 July each year.

Fixed monthly charge based on the costs of the services shall be charged for domestic users based on the 1 x removal per week.

Fixed monthly charge based on the costs of the services shall be charged for business users per holder 1 to 5 x removal per week.

Availability charge based on removals per week shall be charged for residential and



business.

Availability charge based on the properties which are not connected to the main service  
Which may in the opinion of the Municipality be provided with necessary service.

**Availability fee will not be charged on vacant land**

#### 11.2.4 Sewerage

The categories of sewerage users as set out below shall be charged at the applicable Tariffs, as approved by the Council in each annual budget. Tariff adjustment shall be effective from 1 July each year.

A basic charge per month shall be charged only for Wrenchville and Kuruman consumers excluding indigents.

Fixed monthly charge for Mothibistadt and Bankhara residents of R150 shall be charged for domestic users and R250 for businesses, industries and institutions  
Variable monthly charge based on 20% of water consumption for domestic users in Kuruman and Wrenchville and 35% for all businesses, industries and institutional users.

Availability charge based on the properties which are not connected to the main service  
Which may in the opinion of the Municipality be provided with necessary service.

**Availability fee will not be charged on vacant land**

#### 11.2.5 Suction Services

A basic charge per month to be levied with the exception that no charge will be levied  
In the event that a suction services was rendered in a particular month.

Suction services during normal working hours will be:

- Suction cost per kilolitre; plus
- Transport charges = Cost + 20% per kilometre

#### 11.2.6 Consumer Deposits

Consumer Deposit on services will be charged on all residential and business properties.

Note that the new consumers blacklisted at Credit Bureau will be liable for 2 x applicable Deposit excluding Indigent Households.

#### 11.2.7 Prepaid

Tariffs for pre-paid meters shall be the same as the ordinary consumption tariffs levied  
On the category of consumer concerned, but no availability charge shall be levied on properties where pre-paid meters have been installed.

No basic charge per meter installed is billed/levied to on properties.

### 11.3 Sundries

The following services shall be considered as economic services, and the tariffs levied shall cover 100% of the budgeted annual operating expenses of the service concerned:

- i. Maintenance of graves.
- ii. Building Plan fees.
- iii. New connection fees for electricity, water and sewerage.
- iv. Photostat copies and fees.

The following services shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:

- i. Advertising sign fees.
- ii. Sale of graves.
- iii. Disconnection and reconnection fees for electricity and water.
- iv. Penalty and other charges imposed in terms of the approved policy on credit control and debt collection.
- v. Penalty charges on outstanding services account for submission of dishonoured cheques.

## **12. RESPONSIBILITY AND ACCOUNTABILITY**

The Council or designates of the Council have the overall responsibility of laying down the Tariff Policy. The Municipal Manager or delegated official(s) by the Municipal Manager have the responsibility to ensure that the Tariff Policy is in place and that it is effectively implemented.

**TARIFF(RATES AND TAXES) 2016/17**

Note: The percentage increases are on average 6% (rounded off where applicable) excluding electricity

**1. MUNICIPAL SERVICES****1.1 ASSESSMENT RATES****ZERO RATED VAT****1.1.1 Market Value**

|  |          |          |          |
|--|----------|----------|----------|
| Households   | 0.006373 | 0.006736 | 0.007114 |
| Business   | 0.010785 | 0.011400 | 0.012038 |
| Guesthouses and multiuse (i.e surgery, tuckshop etc) | 0.008531 | 0.009017 | 0.009522 |
| Agriculture  | 0.000320 | 0.000338 | 0.000357 |
| State Owned Property                                 | 0.019727 | 0.020851 | 0.022019 |

Indigent households qualify for exemption but only upon registration as indigents.  
Residential households qualify for R25,000.00 exemption on the value of the property.

**1.2 ELECTRICITY TARIFFS - MONTHLY CHARGES****VAT EXCLUDED(BUT PAYABLE)****1.2.1 PROPERTIES USED FOR RESIDENTIAL PURPOSES AND SCHOOL HOSTELS**

|  |           |        |        |        |
|--|-----------|--------|--------|--------|
| Indigent Households with an income < R3,900.00     |           | R 0.00 | R 0.00 | R 0.00 |
| 1.2.1.1 Lifeline (Cut off 400kWh and Rebate Users) | 0 - 50    | 86c    | 91c    | 96c    |
|  | 51 - 350  | R 1.10 | R 1.16 | R 1.23 |
|  | 351 - 600 | R 1.55 | R 1.64 | R 1.73 |
|  | >600      | R 1.82 | R 1.92 | R 2.03 |

or

|  |           |          |          |          |
|--|-----------|----------|----------|----------|
| 1.2.1.2 Basic Charge                           |           | R 110.62 | R 116.93 | R 123.48 |
| Usage per kWh                                  | 0 - 50    | R 1.05   | R 1.11   | R 1.17   |
|  | 51 - 350  | R 1.05   | R 1.11   | R 1.17   |
| Usage per kWh                                  | 351 - 600 | R 1.52   | R 1.61   | R 1.70   |
|  | >600      | R 1.52   | R 1.61   | R 1.70   |
| Prepaid per kWh usage                          |           |          |          |          |
| Indigent Households with an income < R3,900.00 |           | R 0.00   | R 0.00   | R 0.00   |
|  | 0 - 50    | R 1.05   | R 1.11   | R 1.17   |
|  | 51 - 350  | R 1.05   | R 1.11   | R 1.17   |
|  | 351 - 600 | R 1.52   | R 1.61   | R 1.70   |
| Prepaid per kWh usage(>600)                    | >600      | R 1.52   | R 1.61   | R 1.70   |

**1.2.2 BUSINESSES (1-39kWh)**

|                       |          |          |          |
|-----------------------|----------|----------|----------|
| Basic Charge          | R 509.55 | R 538.59 | R 568.76 |
| Usage per kWh         | R 1.43   | R 1.51   | R 1.60   |
| or                    |          |          |          |
| Prepaid per kWh usage | R 1.91   | R 2.02   | R 2.13   |

**1.2.3 GUEST HOUSES AND MULTIUSE (SURGERY, TUCKSHOP ETC)**

|                       |          |          |          |
|-----------------------|----------|----------|----------|
| Basic Charge          | R 306.56 | R 324.03 | R 342.18 |
| Usage per kWh         | R 1.30   | R 1.37   | R 1.45   |
| or                    |          |          |          |
| Prepaid per kWh usage | R 1.60   | R 1.69   | R 1.78   |

**1.2.4 BULK USERS (40-69KVA)**

|                     |          |          |          |
|---------------------|----------|----------|----------|
| Basic Charge        | R 685.45 | R 724.52 | R 765.09 |
| Usage per KVA       | R 208.78 | R 220.68 | R 233.04 |
| Usage per kWh       | R 0.96   | R 1.01   | R 1.07   |
| OR AFTER PEAK HOURS |          |          |          |
| Basic Charge        | R 692.13 | R 731.58 | R 772.55 |
| Usage per KVA       | R 205.42 | R 217.13 | R 229.29 |
| Usage per kWh       | R 0.96   | R 1.01   | R 1.07   |

NOTE: A minimum KVA charge is payable based on 40 KVA/Month

**TARIFF SCHEDULE 2017/18 FINANCIAL YEAR**
**2017/18      2018/19      2019/20**
**1.2.5 BULK USERS ( 70 KVA AND MORE)**

|                                      |            |            |            |
|--------------------------------------|------------|------------|------------|
| Basic Charge                         | R 1,991.22 | R 2,104.72 | R 2,222.58 |
| Usage per KVA                        | R 230.05   | R 243.17   | R 256.78   |
| Usage per kWh<br>or after peak hours | R 0.71     | R 0.75     | R 0.79     |
| Basic Charge                         | R 2,873.54 | R 3,037.34 | R 3,207.43 |
| Usage per KVA                        | R 233.82   | R 247.14   | R 260.98   |
| Usage per kWh                        | R 0.71     | R 0.75     | R 0.79     |

**1.2.6 BULK USERS 2 ( 70 KVA AND MORE)**

Transformer supplied by the Municipality

|                                      |            |            |            |
|--------------------------------------|------------|------------|------------|
| Basic Charge                         | R 2,889.81 | R 3,054.53 | R 3,225.56 |
| Usage per KVA                        | R 230.05   | R 243.17   | R 256.78   |
| Usage per kWh<br>or after peak hours | R 1.03     | R 1.09     | R 1.15     |
| Basic Charge                         | R 2,889.81 | R 3,054.53 | R 3,225.56 |
| Usage per KVA                        | R 230.05   | R 243.17   | R 256.78   |
| Usage per kWh                        | R 1.03     | R 1.09     | R 1.15     |

**1.2.7 Schools, show grounds, departmental users,  
non-profit organisations old age homes, churches,  
sport facilities per kWh usage**

|        |        |        |
|--------|--------|--------|
| R 1.85 | R 1.96 | R 2.07 |
|--------|--------|--------|

**1.2.8 Load Control - Refusal to install**

Plus surcharge on kWh Tariff

|        |        |        |
|--------|--------|--------|
| R 0.25 | R 0.26 | R 0.28 |
|--------|--------|--------|

**1.2.9 Availability charge: This fee is payable in respect of  
any property that is not connected to the Main  
Service which may in the opinion of the Municipality  
be provided with the necessary service.**

|          |          |          |
|----------|----------|----------|
| R 273.70 | R 289.30 | R 305.50 |
|----------|----------|----------|

**1.2.10 Shifting of Prepaid meters**

|            |            |            |
|------------|------------|------------|
| R 3,053.60 | R 3,227.66 | R 3,408.41 |
|------------|------------|------------|

**1.2.11 Reverting back from prepaid power to conventional metered power**

|            |            |            |
|------------|------------|------------|
| R 3,053.60 | R 3,227.66 | R 3,408.41 |
|------------|------------|------------|

**1.2.12 Temporary meters (220v 3-phase mainstream breaker - 80amps)**

|          |          |          |
|----------|----------|----------|
| R 837.07 | R 884.78 | R 934.33 |
|----------|----------|----------|

**1.3. WATER SERVICES - EXCLUDING VAT(BUT PAYABLE) - MONTHLY CHARGES**
**VAT EXCLUDED(BUT PAYABLE)**

|  |           |        |         |         |
|--|-----------|--------|---------|---------|
| 1.3.1 Indigent Households with an income < R3,900.00 | 0kl - 6kl | R 0.00 | R 0.00  | R 0.00  |
|  | 7kl-12kl  | R 9.28 | R 9.81  | R 10.36 |
|  | 13kl-35kl | R 9.55 | R 10.09 | R 10.66 |
|  | 36kl>     | R 9.64 | R 10.19 | R 10.76 |

**1.3.2 RESIDENTIAL PROPERTIES**

|            |        |         |         |
|------------|--------|---------|---------|
| 0kl - 12kl | R 9.28 | R 9.81  | R 10.36 |
| 13kl-35kl  | R 9.55 | R 10.09 | R 10.66 |
| 36kl>      | R 9.64 | R 10.19 | R 10.76 |

**SEDIBENG AREAS (HOUSEHOLDS ONLY)**

|        |        |        |
|--------|--------|--------|
| R 6.92 | R 7.31 | R 7.72 |
|--------|--------|--------|

**1.3.3 NON-PROFIT ORGANISATION**

|            |        |         |         |
|------------|--------|---------|---------|
| 0kl - 12kl | R 9.28 | R 9.81  | R 10.36 |
| 13kl-35kl  | R 9.55 | R 10.09 | R 10.66 |
| 36kl>      | R 9.64 | R 10.19 | R 10.76 |

**1.3.4 GUEST HOUSES AND MUTIHOUSE (SURGERY, TUCKSHOP ETC)**

|              |         |         |         |
|--------------|---------|---------|---------|
| Basic Charge | R 26.60 | R 28.12 | R 29.69 |
|--------------|---------|---------|---------|

|                     |         |         |         |
|---------------------|---------|---------|---------|
| Per kiloliter usage | R 10.64 | R 11.25 | R 11.88 |
|---------------------|---------|---------|---------|

**TARIFF SCHEDULE 2017/18 FINANCIAL YEAR**
**2017/18      2018/19      2019/20**
**1.3.4 ALL OTHER PROPERTIES NOT DEFINED ABOVE (BUSINESS AND GOVERNMENT BUILDINGS)**

|                                   |         |         |         |
|-----------------------------------|---------|---------|---------|
| Basic Charge                      | R 55.42 | R 58.58 | R 61.86 |
| Per kiloliter usage               | R 16.01 | R 16.92 | R 17.87 |
| Bulk water purchases (Commercial) | R 37.47 | R 39.60 | R 41.82 |

**1.3.5 SEWER WATER IRRIGATION**

|                               |          |          |          |
|-------------------------------|----------|----------|----------|
|                               | R 188.00 | R 198.71 | R 209.84 |
| Filling of swimmingpool + VAT | R 429.63 | R 454.12 | R 479.55 |
| Swimming pool draining        | R 557.46 | R 589.23 | R 622.23 |

**1.3.6 First Eye (Water)**

|           |        |        |        |
|-----------|--------|--------|--------|
| Per Liter | R 5.32 | R 5.62 | R 5.94 |
|-----------|--------|--------|--------|

**1.4. DOMESTIC REFUSE - MONTHLY CHARGES  
VAT EXCLUDED**
**1.4.1 Residential -1 x removal/week**

|             |         |          |          |
|-------------|---------|----------|----------|
| RO - R3 900 | R 0.00  | R 0.00   | R 0.00   |
| > R3 900    | R 99.09 | R 104.74 | R 110.60 |

**1.4.3 GARDEN (RESIDENTIAL) REFUSE**

|   |          |          |          |
|---|----------|----------|----------|
| 1. Removal (with 14 days notice)<br>(If dumped in dumping site by resident)<br>(If dumped outside property a fine of R500.00 may be levied)<br>(On open sites, the owner will be penalized R150.00) | R 271.65 | R 287.13 | R 303.21 |
|---|----------|----------|----------|

**1.4.4 BUSINESSES**

|                                       |          |          |          |
|---------------------------------------|----------|----------|----------|
| Per holder 1 to 5 x removals per week | R 203.62 | R 215.22 | R 227.27 |
|---------------------------------------|----------|----------|----------|

**AVAILABILITY CHARGES(RESIDENTIAL AND BUSINESS)**

|                               |          |          |          |
|-------------------------------|----------|----------|----------|
| 1 x removal per week          | R 154.87 | R 163.70 | R 172.86 |
| 2 x removal per week          | R 275.72 | R 291.44 | R 307.76 |
| 3 x or more removals per week | R 410.23 | R 433.61 | R 457.89 |

This fee is payable in respect of any property that is not connected to the main service which may in the opinion of the Municipality be provided with the necessary service.

**1.4.5 Use of Landfillsite**

|           |            |            |            |
|-----------|------------|------------|------------|
| Per truck | R 2,128.00 | R 2,249.30 | R 2,375.26 |
|-----------|------------|------------|------------|

**NOTE:**

The Community Service Department provides the information for the quantity removals per week and on which the tariff is established.

**1.5. SEWERAGE SERVICES - MONTHLY CHARGES  
VAT EXCLUDED(BUT PAYABLE)**
**1.5.1 Basic charge: All consumers excluding rebate consumers**

|         |         |         |
|---------|---------|---------|
| R 76.78 | R 81.15 | R 85.70 |
|---------|---------|---------|

**1.5.2 ADDITIONAL CHARGES ( i.e.number of toilets)**
**1.5.2.1 RESIDENTIAL (Including Businesses on Residential Properties, Hats)**

|                            |          |          |          |
|----------------------------|----------|----------|----------|
| 1 Toilet                   | R 52.58  | R 55.58  | R 58.69  |
| 2 Toilets                  | R 105.16 | R 111.16 | R 117.38 |
| 3 Toilets and more         | R 122.65 | R 129.64 | R 136.90 |
| 20% Rebate Consumers fixed | R 70.31  | R 74.31  | R 78.48  |
| 40% Rebate Consumers fixed | R 63.36  | R 66.97  | R 70.72  |

**TARIFF SCHEDULE 2017/18 FINANCIAL YEAR**

|   | 2017/18         | 2018/19     | 2019/20     |
|---|-----------------|-------------|-------------|
| <b>1.5.2.2 OTHER PER TOILET</b>   |                 |             |             |
| Non profitable  | R 21.27         | R 22.48     | R 23.74     |
| Churches and old age homes  | R 21.27         | R 22.48     | R 23.74     |
| Schools and school hostels  | R 21.27         | R 22.48     | R 23.74     |
| Hotels, prison and hospital   | R 207.69        | R 219.53    | R 231.82    |
| Businesses and industries   | R 207.69        | R 219.53    | R 231.82    |
| Departmental  | R 122.65        | R 129.64    | R 136.90    |
| <b>1.5.3 AVAILABILITY CHARGES</b>   |                 |             |             |
|   | R 193.67        | R 204.71    | R 216.18    |
| This fee is payable in respect of any property that is not connected to the main service which may in the opinion of the Municipality be provided with the necessary service. |                 |             |             |
| <b>1.6. SUCTION SERVICES (SEWERAGE) - MONTHLY CHARGES</b>   |                 |             |             |
| <b>VAT EXCLUDED</b>   |                 |             |             |
| <b>1.6.1 Basic charge per month to be levied with the exception that no charge will be levied in the event that a suction service was rendered in a particular month.</b>     |                 |             |             |
|   | R 81.45         | R 86.09     | R 90.91     |
| <b>1.6.2 SUCTION SERVICES:</b>  |                 |             |             |
| Ga-Segonyana area per kiloliter   | R 47.97         | R 50.70     | R 53.54     |
| Transport per km  | (Empty ) R 3.17 | R 3.35      | R 3.54      |
|   | (Loaded) R 3.83 | R 4.05      | R 4.28      |
| <b>OUTSIDE GASEGONYANA AREA</b>   |                 |             |             |
| Per kiloliter   | R 48.39         | R 51.15     | R 54.01     |
| Transport per km  | (Empty ) R 6.41 | R 6.77      | R 7.15      |
|   | (Loaded) R 8.98 | R 9.50      | R 10.03     |
| Dumping at Sewer Plant (per load)   | R 838.42        | R 886.21    | R 935.84    |
| <b>1.7 CONSUMER DEPOSITS</b>  |                 |             |             |
| <b>VAT NOT LEVIABLE</b>   |                 |             |             |
| <b>1.7.1 Residential Properties:</b>  |                 |             |             |
|   | R 3,262.88      | R 3,448.87  | R 3,642.01  |
| Wrenchville   | R 3,262.88      | R 3,448.87  | R 3,642.01  |
| Mothibstad  | R 914.12        | R 966.22    | R 1,020.33  |
| Bankhara-Bodulong   | R 431.67        | R 456.27    | R 481.82    |
| All Indigent Households   | R 431.67        | R 456.27    | R 481.82    |
| Households pre-paid metering  | R 1,599.70      | R 1,690.89  | R 1,785.57  |
| <b>1.7.2 Business Properties:</b>   |                 |             |             |
|   | R 3,999.26      | R 4,227.21  | R 4,463.94  |
| Wrenchville   | R 2,399.55      | R 2,536.33  | R 2,678.36  |
| Mothibstad  | R 2,399.55      | R 2,536.33  | R 2,678.36  |
| Bankhara-Bodulong   | R 2,399.55      | R 2,536.33  | R 2,678.36  |
| Pre-paid Metering   | R 1,917.10      | R 2,026.38  | R 2,139.86  |
| 180+ amp Users  | R 4,989.55      | R 5,273.95  | R 5,569.29  |
| <b>NOTE: New Consumers blacklisted at Credit Bureau:-</b>   |                 |             |             |
| Applicable deposit x 2.0 excluding registered indigent Households   |                 |             |             |
| <b>1.8 CONNECTION FEES CONSUMER SERVICES</b>  |                 |             |             |
| <b>VAT EXCLUDED</b>   |                 |             |             |
| Electricity   | R 199.55        | R 210.92    | R 222.73    |
| Water   | R 199.55        | R 210.92    | R 222.73    |
| A 50% rebate is allowed for all registered indigent households (R3,900.00)  |                 |             |             |
| NEW CONNECTIONS for water, electricity and sewerage   |                 |             |             |
| VAT Excluded but payable  |                 |             |             |
| <b>1.9 METER TESTING</b>  |                 |             |             |
| <b>VAT EXCLUDED BUT PAYABLE</b>   |                 |             |             |
| Electricity Installation Safety   | R 544.13        | R 575.15    | R 607.36    |
| Water or Electricity Meters   | R 544.13        | R 575.15    | R 607.36    |
| <b>1.10 INVESTIGATION OF COMPLAINTS</b>   |                 |             |             |
| <b>VAT EXCLUDED BUT PAYABLE</b>   |                 |             |             |
| Normal working hours  | R 417.17        | R 440.95    | R 465.65    |
| After hours   | R 544.13        | R 575.15    | R 607.36    |
| <b>1.11 TAMPERING FEE (METERS)</b>  |                 |             |             |
| Penalty: Households   | R 3,199.40      | R 3,381.77  | R 3,571.15  |
| : Business  | R 7,998.51      | R 8,454.43  | R 8,927.87  |
| : Industrial  | R 11,997.77     | R 12,681.64 | R 13,391.81 |
| Plus: Average must be determined  |                 |             |             |
| Plus: Cost of replacing the meter   |                 |             |             |

**1.12 COMPUTER PRINT OUT PER PAGE  
VAT EXCLUDED**

|          |        |        |        |
|----------|--------|--------|--------|
| Per page | R 3.71 | R 3.92 | R 4.14 |
|----------|--------|--------|--------|

**1.13 DEBT COLLECTION ADMINISTRATION**
**1.13.1 VAT EXCLUDED(BUT PAYABLE)**

|   |         |         |         |
|---|---------|---------|---------|
| 1.13.2 Administration cost per record per month | R 45.39 | R 47.98 | R 50.67 |
|---|---------|---------|---------|

**Default/non-payment of accounts:**

|  |          |          |          |
|--|----------|----------|----------|
| Telephone notice                       | R 63.48  | R 67.10  | R 70.85  |
| Written final notice                   | R 99.77  | R 105.46 | R 111.37 |
| Re-connection of services - Households | R 479.70 | R 507.04 | R 535.43 |

|   |          |          |          |
|---|----------|----------|----------|
| <b>1.14</b> Re-connection of services -Businesses | R 799.49 | R 845.06 | R 892.39 |
|---|----------|----------|----------|

**COLLECTION COSTS**

|                                  |         |          |          |
|----------------------------------|---------|----------|----------|
| Final notice posted or delivered | R 99.77 | R 105.46 | R 111.37 |
| Summons: Revenue stamp           |         |          |          |
| Sheriff fees                     |         |          |          |
| Advertisements                   |         |          |          |

|  |         |          |          |
|--|---------|----------|----------|
| <b>1.15</b> Judgement notice to debtor | R 99.77 | R 105.46 | R 111.37 |
|--|---------|----------|----------|

**2. COMMUNITY FACILITIES**
**2.1 MUNICIPAL BUILDINGS**
**VAT INCLUDED - RENTAL PER OCCASION**
**2.1.1 TOWN HALL AND CIVIC CENTRE:**

|                                   |            |            |            |
|-----------------------------------|------------|------------|------------|
| Morning until 12:00               | R 2,990.04 | R 3,160.47 | R 3,337.46 |
| 12:00 until 18:00                 | R 2,990.04 | R 3,160.47 | R 3,337.46 |
| 18:00 until 24:00                 | R 2,990.04 | R 3,160.47 | R 3,337.46 |
| Whole day and evening until 24:00 | R 2,990.04 | R 3,160.47 | R 3,337.46 |
| Kitchen amenities                 | R 1,002.51 | R 1,059.65 | R 1,118.99 |

|         |            |            |            |
|---------|------------|------------|------------|
| Deposit | R 3,992.55 | R 4,220.12 | R 4,456.45 |
|---------|------------|------------|------------|

|                                    |            |            |            |
|------------------------------------|------------|------------|------------|
| entertainment events - 2 x Deposit | R 7,985.10 | R 8,440.25 | R 8,912.90 |
|------------------------------------|------------|------------|------------|

10% Discount where there is an entrance fee for Charitable occasions.

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|  | 2017/18     | 2018/19     | 2019/20     |
|--|-------------|-------------|-------------|
| <b>2.1.1.1 OTHER FACILITIES AT CIVIC CENTRE</b>  |             |             |             |
| Use of braai facilities  | R 1,002.51  | R 1,059.65  | R 1,118.99  |
| Use of kitchen facilities  | R 1,002.51  | R 1,059.65  | R 1,118.99  |
| Deposit on kitchen equipment   | R 1,986.93  | R 2,100.19  | R 2,217.80  |
| <b>2.1.1.2 DEPOSIT PER OCCASION</b>  |             |             |             |
| Where no entrance fees are charged by organisation in 7.1, for example training groups/schools and churches, meetings/sport clubs/schools/churches/charity organisations/agricultural unions/pauper burial services: |             |             |             |
| Rental per occasion  | R 879.38    | R 929.51    | R 981.56    |
| Deposit per occasion   | R 1,002.51  | R 1,059.65  | R 1,118.99  |
| <b>2.1.1.3 Rental of halls by government departments and unions</b>  |             |             |             |
| Rental per occasion  | R 879.38    | R 929.51    | R 981.56    |
| Deposit per occasion   | R 1,407.11  | R 1,487.31  | R 1,570.60  |
| <b>2.1.1.4 Rental of halls by government departments, unions for meetings purpose of writing examinations, per occasion:</b>   | R 879.38    | R 929.51    | R 981.56    |
| <b>2.1.2 LIBRARY HALL PER OCCASION</b>   |             |             |             |
| Rental   | R 404.48    | R 427.53    | R 451.47    |
| Deposit  | R 298.36    | R 315.36    | R 333.02    |
| 10% Discount for Charitable groups.  |             |             |             |
| <b>2.1.3 Rental of TABLES AND CHAIRS   charitable and church organisation :</b>  |             |             |             |
| Per table  | R 119.60    | R 126.42    | R 133.50    |
| Deposit per table  | R 160.02    | R 169.14    | R 178.61    |
| Per chair  | R 6.35      | R 6.71      | R 7.09      |
| Deposit per chair  | R 10.54     | R 11.14     | R 11.76     |
| Transport per km   | R 4.07      | R 4.30      | R 4.55      |
| <b>2.1.4 COMMUNITY HALLS</b>   |             |             |             |
| Rental   | R 404.48    | R 427.53    | R 451.47    |
| Deposit  | R 1,002.51  | R 1,059.65  | R 1,118.99  |
| Use of kitchen facilities  | R 201.89    | R 213.40    | R 225.35    |
| Entertainment events - 2 x Deposit   | R 532.00    | R 562.32    | R 593.81    |
| <b>2.1.5 RENTAL HOSTELS</b>  |             |             |             |
| Rental - smaller room  | R 1,134.22  | R 1,198.87  | R 1,266.01  |
| Rental - small room  | R 1,361.07  | R 1,438.65  | R 1,519.21  |
| Rental - medium room   | R 1,701.34  | R 1,798.31  | R 1,899.02  |
| <b>2.1.6 DEPOSIT HOSTELS</b>   |             |             |             |
| Deposit - smaller rooms  | R 1,197.74  | R 1,266.01  | R 1,336.91  |
| Deposit - small room   | R 1,437.29  | R 1,519.21  | R 1,604.29  |
| Deposit - medium room  | R 2,155.93  | R 2,278.82  | R 2,406.44  |
| <b>2.1.7 TRANSNET SITE</b>   |             |             |             |
| Cost per square meter  | R 39.95     | R 42.22     | R 44.59     |
| Minimum charge   | R 1,007.04  | R 1,064.44  | R 1,124.05  |
| <b>2.1.8 RENTAL OFFICES</b>  |             |             |             |
| Cost per square meter (Under roof)<br>as measured over the external wall of the building   | R 56.39     | R 59.61     | R 62.94     |
| <b>2.2 SPORTS GROUND</b>   |             |             |             |
| <b>VAT INCLUDED - RENTAL PER OCCASION</b>  |             |             |             |
| <b>2.2.1 MOTHIBI, W/VILLE, BATHAROS, B/BODULONG, GANTATLANG AND GAMOPEDI</b>   |             |             |             |
| Friendly games: Rental   | R 239.55    | R 253.20    | R 267.38    |
| Deposit  | R 239.55    | R 253.20    | R 267.38    |
| Outside teams : Rental   | R 1,064.00  | R 1,124.65  | R 1,187.63  |
| Deposit  | R 1,064.00  | R 1,124.65  | R 1,187.63  |
| Betting games (Tournaments): Rental  | R 958.19    | R 1,012.81  | R 1,069.53  |
| Deposit  | R 958.19    | R 1,012.81  | R 1,069.53  |
| Festivals and Bashes: Rental(Category A) *   | R 10,640.00 | R 11,246.48 | R 11,876.28 |
| Deposit  | R 10,640.00 | R 11,246.48 | R 11,876.28 |
| Festivals and Bashes: Rental(Category B)*  | R 5,389.83  | R 5,697.05  | R 6,016.09  |
| Deposit  | R 8,983.05  | R 9,495.09  | R 10,026.81 |
| *Categories will be determined by the Municipality   |             |             |             |
| Developmental games (Schools, Charities, Sports and culture pri  | R 419.21    | R 443.10    | R 467.92    |
|  | R 419.21    | R 443.10    | R 467.92    |



**2.3****2.3.1 GRAVE YARD****VAT INCLUDED - LEVIES PER OCCASION**

2.3.2 A 50% rebate is allowed for state pensioners, medical disabled persons and households who only receive a child grant.

2.3.3 Graves at no charge is delegated to Municipal Manager for approval and report back to Council.

2.3.4 A rebate of R50.00 is allowed for private persons who dig graves themselves.

**2.3.4.1 GRAVES FEES****2.3.4.2 RESIDENTS OF GA-SEGONYANA**

Applicable in accordance with the following set conditions namely, proof of income of household must be submitted with reservation and payment of grave and death certificate to establish age of the deceased.

|   |                     |            |            |            |
|---|---------------------|------------|------------|------------|
| 2.3.4.3 Income R0 - R3,900:                 |                     | R 139.72   | R 147.68   | R 155.95   |
|   | 6 - 13 years of age | R 223.50   | R 236.24   | R 249.47   |
|   | 14 years and older  | R 279.44   | R 295.37   | R 311.91   |
|   | Double graves       | R 410.94   | R 434.36   | R 458.69   |
|   | Deeper graves       | R 378.06   | R 399.61   | R 421.99   |
| 2.3.4.4 Income R3,901 - R5,000:             |                     | R 279.44   | R 295.37   | R 311.91   |
|   | 6 - 13 years of age | R 378.06   | R 399.61   | R 421.99   |
|   | 14 years and older  | R 460.23   | R 486.47   | R 513.71   |
|   | Double graves       | R 657.50   | R 694.98   | R 733.90   |
|   | Deeper graves       | R 394.54   | R 417.02   | R 440.38   |
| 2.3.4.5 Income R5,001 - R6,500:             |                     | R 378.06   | R 399.61   | R 421.99   |
|   | 6 - 13 years of age | R 509.52   | R 538.56   | R 568.72   |
|   | 14 years and older  | R 657.50   | R 694.98   | R 733.90   |
|   | Double graves       | R 1,232.82 | R 1,303.09 | R 1,376.06 |
|   | Deeper graves       | R 986.22   | R 1,042.43 | R 1,100.81 |
| 2.3.4.6 Income R6,501 - R8,500:             |                     | R 410.94   | R 434.36   | R 458.69   |
|   | 6 - 13 years of age | R 657.50   | R 694.98   | R 733.90   |
|   | 14 years and older  | R 739.72   | R 781.89   | R 825.67   |
|   | Double graves       | R 1,315.00 | R 1,389.95 | R 1,467.79 |
|   | Deeper graves       | R 1,068.44 | R 1,129.34 | R 1,192.59 |
| 2.3.4.7 Income R8,501 and higher:           |                     | R 657.50   | R 694.98   | R 733.90   |
|   | 6 - 13 years of age | R 739.72   | R 781.89   | R 825.67   |
|   | 14 years and older  | R 871.24   | R 920.90   | R 972.47   |
|   | Double graves       | R 1,643.78 | R 1,737.47 | R 1,834.77 |
|   | Deeper graves       | R 1,150.67 | R 1,216.26 | R 1,284.37 |
| Born system and build out of graves         |                     | R 3,912.18 | R 4,135.17 | R 4,366.74 |
| 2.3.4.9 NON-RESIDENTS                       |                     | R 1,019.16 | R 1,077.25 | R 1,137.58 |
|   | 13 years and older  | R 1,347.88 | R 1,424.71 | R 1,504.49 |
|   | Double graves       | R 1,676.60 | R 1,772.16 | R 1,871.40 |
| 2.3.4.9 Born system and build out of graves |                     | R 5,227.18 | R 5,525.13 | R 5,834.54 |

**2.4 CARAVAN PARK**  
**VAT INCLUDED**

2.4.1 Pensioners above the age of 60 years qualify for a rebate of 10% on all tariffs.

## 2.4.2 OVERNIGHT TARIFFS:

|                                |          |          |          |
|--------------------------------|----------|----------|----------|
| 4 bed Exclusive Chalet         | R 821.89 | R 868.74 | R 917.39 |
| 3 bed Chalet                   | R 687.38 | R 726.56 | R 767.25 |
| Single room                    | R 427.35 | R 451.71 | R 477.01 |
| Encampment per caravan or tent | R 197.27 | R 208.51 | R 220.19 |

|   |          |          |          |
|---|----------|----------|----------|
| Organised caravan clubs, 5 caravans or more per caravan | R 197.27 | R 208.51 | R 220.19 |
|---|----------|----------|----------|

Block reservations, excluding exclusive chalet per Chalet:

|       |          |          |          |
|-------|----------|----------|----------|
| 4 Bed | R 575.33 | R 608.13 | R 642.18 |
| 3 Bed | R 443.82 | R 469.12 | R 495.39 |

## 2.4.3 DEPOSIT:

|            |          |          |          |
|------------|----------|----------|----------|
| Per Chalet | R 460.29 | R 486.53 | R 513.77 |
| Per Room   | R 279.44 | R 295.37 | R 311.91 |

**2.5 NATURE RESERVE****VAT INCLUDED - ENTRANCE FEE**

|                                       |          |          |          |
|---------------------------------------|----------|----------|----------|
| Organised school children (per child) | R 5.99   | R 6.33   | R 6.68   |
| Children                              | R 11.98  | R 12.66  | R 13.37  |
| Adult                                 | R 23.95  | R 25.32  | R 26.74  |
| Vehicle                               | R 35.93  | R 37.98  | R 40.11  |
| Bus                                   | R 119.77 | R 126.60 | R 133.69 |

**2.6 THE EYE****VAT INCLUDED - ENTRANCE FEE**

|                                       |          |          |          |
|---------------------------------------|----------|----------|----------|
| Organised school children (per child) | R 5.99   | R 6.33   | R 6.68   |
| School Children                       | R 11.98  | R 12.66  | R 13.37  |
| Adults                                | R 23.95  | R 25.32  | R 26.74  |
| Wedding per group of 20               | R 359.32 | R 379.80 | R 401.07 |

**2.7 SWIMMING BATHS****VAT INCLUDED - ENTRANCE FEE**

|             |         |         |         |
|-------------|---------|---------|---------|
| Children    | R 11.98 | R 12.66 | R 13.37 |
| Adults      | R 23.95 | R 25.32 | R 26.74 |
| Supervisors | R 11.98 | R 12.66 | R 13.37 |

**2.8 ENCROACHMENT****VAT INCLUDED**

|      |          |          |          |
|------|----------|----------|----------|
| Fees | R 122.29 | R 129.26 | R 136.50 |
|------|----------|----------|----------|

**2.9 ILLEGAL LAND USE****VAT INCLUDED**

|                           |             |             |             |
|---------------------------|-------------|-------------|-------------|
| With minimum penalty of   | R 19,945.02 | R 21,081.88 | R 22,262.47 |
| With maximum penalty of   | R 59,852.65 | R 63,264.25 | R 66,807.05 |
| Depends on size of stand. |             |             |             |

**2.10 TRADE LICENCES****VAT INCLUDED**

|             |         |         |         |
|-------------|---------|---------|---------|
| Per Licence | R 59.89 | R 63.30 | R 66.85 |
|-------------|---------|---------|---------|

**2.11 HAWKERS LICENCES****VAT INCLUDED**

|                              |            |            |            |
|------------------------------|------------|------------|------------|
| Sidewalks                    | R 59.89    | R 63.30    | R 66.85    |
| Those who need services      | R 4,072.32 | R 4,304.44 | R 4,545.49 |
| <b>Administration fees:</b>  |            |            |            |
| Trade licences               | R 179.66   | R 189.90   | R 200.54   |
| Hawkers licences             | R 59.89    | R 63.30    | R 66.85    |
| Established businesses (New) | R 299.44   | R 316.50   | R 334.23   |

**2.12 ILLEGAL LOGGING AT TUCKSHOPS & SHOPS****VAT INCLUDED**

|         |            |            |            |
|---------|------------|------------|------------|
| Penalty | R 3,992.55 | R 4,220.12 | R 4,456.45 |
|---------|------------|------------|------------|

**2.13 LIBRARY****VAT INCLUDED**

|   |          |          |          |
|---|----------|----------|----------|
| Identity ticket replacement due to misplacement | R 59.77  | R 63.17  | R 66.71  |
| Admin Levy books outstanding after 4 weeks      | R 49.23  | R 52.03  | R 54.95  |
| User Fees for non Gq-Segonyana Residents        | R 193.49 | R 204.52 | R 215.98 |

**2.14 ADVERTISING SIGNS AND HOARDINGS****2.14.1 Advertising signs**

|                                |            |            |            |
|--------------------------------|------------|------------|------------|
| Cost per square meter          | R 126.96   | R 134.20   | R 141.71   |
| Minimum charge                 | R 1,269.60 | R 1,341.97 | R 1,417.12 |
| Guest house Board-Single sided | R 507.84   | R 536.79   | R 566.85   |
| Guest house Board-double sided | R 710.98   | R 751.50   | R 793.59   |

**2.14.2 BANNERS**

|               |          |          |          |
|---------------|----------|----------|----------|
| Deposit       | R 612.55 | R 858.86 | R 906.96 |
| Fees per week | R 488.80 | R 516.66 | R 545.59 |

**2.14.3 POSTERS**

|   |         |         |         |
|---|---------|---------|---------|
| (i) Application per poster - non profit organisation                          | R 12.70 | R 13.42 | R 14.17 |
| <b>No commercial advertising and logos of sponsors will appear on posters</b> |         |         |         |

|  |          |          |          |
|--|----------|----------|----------|
| (ii) Application for religious, sporting and cultural events, commercial | R 63.48  | R 67.10  | R 70.86  |
| Minimum charge per week  | R 126.96 | R 134.20 | R 141.71 |

|                                 |            |            |            |
|---------------------------------|------------|------------|------------|
| (iii) Application per candidate | R 1,269.60 | R 1,341.97 | R 1,417.12 |
|                                 | R 0.00     | R 0.00     | R 0.00     |

|  |            |            |            |
|--|------------|------------|------------|
| (iv) Application per registered political party and Independents | R 1,269.60 | R 1,341.97 | R 1,417.12 |
| <b>Fully refundable on removal</b>                               |            |            |            |

Excluding present serving councillors that hold and arrange community meetings.  
Poster should be removed within 48 hours. Failing to do so deposit will not be reclaimable

|   |            |            |            |
|---|------------|------------|------------|
| Application to display advertising signs          | R 1,269.60 | R 1,341.97 | R 1,417.12 |
| Advertising signs displayed on municipal property | R 1,904.41 | R 2,012.96 | R 2,125.68 |
| Advertising fee per month                         | R 215.83   | R 228.14   | R 240.91   |

**2.15 PHOTOCOPIES****VAT INCLUDED**

|                |        |        |        |
|----------------|--------|--------|--------|
| A4 size        | R 1.20 | R 1.27 | R 1.34 |
| A3 size        | R 1.80 | R 1.90 | R 2.01 |
| A4 size colour | R 1.80 | R 1.90 | R 2.01 |
| A3 size colour | R 3.59 | R 3.80 | R 4.01 |

**2.16 FAXES PER PAGE****VAT INCLUDED**

|          |        |        |        |
|----------|--------|--------|--------|
| Received | R 4.79 | R 5.06 | R 5.35 |
| Send     | R 3.59 | R 3.80 | R 4.01 |

Special tariff to Staff and Councillors  
tariff less 20%

**2.17 TESTING OF VEHICLE BRAKES****VAT EXCLUDED**

|     |          |          |          |
|-----|----------|----------|----------|
| Fee | R 299.02 | R 316.06 | R 333.76 |
|-----|----------|----------|----------|

**2.18 POUNDING FEES****VAT EXCLUDED****Impounding:**

|  |          |          |          |
|--|----------|----------|----------|
| Trolleys per trolley per day: Minimum    | R 4.07   | R 4.30   | R 4.55   |
| LDV's per LDV per day: Minimum           | R 491.07 | R 519.06 | R 548.13 |
| Horses, donkey's cattle and pigs per day | R 143.73 | R 151.92 | R 160.43 |
| Sheep and goat (each)                    | R 59.89  | R 63.30  | R 66.85  |

**Maintenance:**

|  |         |         |         |
|--|---------|---------|---------|
| Horses, donkey's cattle and pigs per day | R 59.89 | R 63.30 | R 66.85 |
| Sheep and goat (each)                    | R 35.93 | R 37.98 | R 40.11 |

**2.19 TRAFFIC**Functions, Marches and SportsMonday to Saturday

|                                   |            |            |            |
|-----------------------------------|------------|------------|------------|
| One or two officer per event      | R 1,015.68 | R 1,073.58 | R 1,133.70 |
| Three or four officers per event  | R 2,031.37 | R 2,147.16 | R 2,267.40 |
| More than four officers per event | R 2,539.21 | R 2,683.94 | R 2,834.25 |

Sunday and Public Holidays

|                      |          |            |            |
|----------------------|----------|------------|------------|
| Per officer per hour | R 952.20 | R 1,006.48 | R 1,062.84 |
|----------------------|----------|------------|------------|

**ESCORT OF ABNORMAL LOADS**Monday to Saturday

|                      |          |          |          |
|----------------------|----------|----------|----------|
| Per officer per hour | R 571.32 | R 603.89 | R 637.71 |
|----------------------|----------|----------|----------|

Sunday and Public Holidays

|                      |            |            |            |
|----------------------|------------|------------|------------|
| Per officer per hour | R 1,904.41 | R 2,012.96 | R 2,125.68 |
|----------------------|------------|------------|------------|

Indigent Funerals  
Government Event

**3. LAND USE****3.1 GROUND AND GRAVEL SALES****VAT INCLUDED**

|  |          |          |          |
|--|----------|----------|----------|
| 3.1.1 Ground Private - per cubic metre | R 299.02 | R 316.06 | R 333.76 |
| Ground Contractor - per cubic metre    | R 299.02 | R 316.06 | R 333.76 |
| 3.1.2 Gravel Private - per cubic metre | R 299.02 | R 316.06 | R 333.76 |
| Gravel Contractor - per cubic metre    | R 299.02 | R 316.06 | R 333.76 |

### 3.2 BUILDING AND OTHER PLANS COPIES VAT INCLUDED

#### 3.2.1 Black and White

|         |          |          |          |
|---------|----------|----------|----------|
| Size A0 | R 527.66 | R 557.74 | R 588.98 |
| Size A1 | R 351.78 | R 371.83 | R 392.65 |
| A2      | R 299.02 | R 316.06 | R 333.76 |

#### 3.2.2 Colour

|         |          |          |          |
|---------|----------|----------|----------|
| Size A0 | R 791.47 | R 836.58 | R 883.43 |
| Size A1 | R 598.03 | R 632.12 | R 667.52 |
| A2      | R 404.54 | R 427.60 | R 451.54 |

### 3.3 BUILDING PLAN APPROVAL - VAT INCLUDED VAT INCLUDED

#### 3.3.1 Residential and Agricultural stands

|                       |             |             |             |
|-----------------------|-------------|-------------|-------------|
| Cost per square metre | R 19.88     | R 21.02     | R 22.19     |
| Minimum charge        | R 1,002.51  | R 1,059.65  | R 1,118.99  |
| Maximum charge        | R 16,955.03 | R 17,921.47 | R 18,925.07 |

Penalty: Cost per m<sup>2</sup> + 50% to a minimum of R10,000.00

#### 3.3.2 Business and Industrial stands

|                       |            |            |            |
|-----------------------|------------|------------|------------|
| Cost per square metre | R 39.94    | R 42.22    | R 44.59    |
| Minimum charge        | R 3,992.55 | R 4,220.12 | R 4,454.45 |

Penalty: Cost per m<sup>2</sup> + 50% to a minimum of R20,000.00

#### 3.3.3 Government buildings and churches

|                       |            |            |            |
|-----------------------|------------|------------|------------|
| Cost per square metre | R 106.40   | R 112.46   | R 118.76   |
| Minimum charge        | R 5,320.00 | R 5,623.24 | R 5,938.14 |

Penalty: Cost per m<sup>2</sup> + 50% to a minimum of R50,000.00

### 3.4 BUILDING DEPOSITS VAT EXCLUDED(BUT PAYABLE)

|  |            |            |            |
|--|------------|------------|------------|
| 3.4.1 Residential: 0 - 80 square metre | R 1,196.00 | R 1,264.17 | R 1,334.96 |
| 80+ square metre                       | R 1,987.47 | R 2,100.75 | R 2,218.40 |

|                  |            |            |            |
|------------------|------------|------------|------------|
| 3.4.2 Businesses | R 5,980.02 | R 6,320.88 | R 6,674.85 |
|------------------|------------|------------|------------|

#### 3.4.3 INTERNAL ALTERATIONS

|                                      |            |            |            |
|--------------------------------------|------------|------------|------------|
| (I) Residential: 0 - 80 square metre | R 1,315.60 | R 1,390.59 | R 1,468.46 |
| 80+ square metre                     | R 2,186.24 | R 2,310.85 | R 2,440.26 |

|               |            |            |            |
|---------------|------------|------------|------------|
| (II) Business | R 6,577.99 | R 6,952.93 | R 7,342.30 |
|---------------|------------|------------|------------|

### 3.5 LAND USE MANAGEMENT FEES VAT EXCLUDED(BUT PAYABLE)

#### 3.5.1 Category 1 Applications MPT

|  |                     |            |            |
|--|---------------------|------------|------------|
| Township establishment   | R 1,988.29          | R 2,101.63 | R 2,219.32 |
| 0-20 Erven   | (Plus R 50 per erf) |            |            |
| Plus tariff per erf in addition to the first 20 erven (Plus bulk service contribution) |                     |            |            |

|                          |            |            |            |
|--------------------------|------------|------------|------------|
| Application for Rezoning | R 1,988.29 | R 2,101.63 | R 2,219.32 |
|--------------------------|------------|------------|------------|

|   |            |            |            |
|---|------------|------------|------------|
| Removal, amendment or suspension of a restrictive conditions, s against title of the land | R 3,593.22 | R 3,798.04 | R 4,010.73 |
|---|------------|------------|------------|

|   |            |            |            |
|---|------------|------------|------------|
| Permanent closure of any public place or road | R 2,395.48 | R 2,532.02 | R 2,673.82 |
|---|------------|------------|------------|

|   |            |            |            |
|---|------------|------------|------------|
| Amendment or cancellation in whole or in part of a general plan | R 2,395.48 | R 2,532.02 | R 2,673.82 |
|---|------------|------------|------------|

|  |            |            |            |
|--|------------|------------|------------|
| Subdivision/ Consolidation of any land other than the subdivision category 2 applications per additional portion after 5. the per erf tariff per erf in additional | R 3,593.22 | R 3,798.04 | R 4,010.73 |
|--|------------|------------|------------|

|  |            |            |            |
|--|------------|------------|------------|
| Any consent or approval required in terms of a condition of title, or condition of an existing scheme or land use scheme | R 2,989.81 | R 3,160.23 | R 3,337.21 |
|--|------------|------------|------------|

#### 3.5.2 Category 2 Applications (Authorised officials)

|   |            |            |            |
|---|------------|------------|------------|
| Application to occupational practice, relaxation of building line, amendment of site development plan | R 3,593.22 | R 3,798.04 | R 4,010.73 |
|---|------------|------------|------------|

|   |            |            |            |
|---|------------|------------|------------|
| Subdivision/ consolidation of any land where subdivision is expedient | R 2,994.35 | R 3,165.03 | R 3,342.27 |
|---|------------|------------|------------|

TARIFF SCHEDULE 2017/18 FINANCIAL YEAR

2017/18 2018/19 2019/20

land use scheme

Per additional portion after 5, then per erf tariff per in addition

the consent of the municipality for any land use purpose or dep: R 2,994.35 R 3,165.03 R 3,342.27  
land use scheme or existing scheme which does not constitute a land development application

**3.5.3 Other tariffs as per specific need**

|   |            |            |            |
|---|------------|------------|------------|
| Hard Copy of SDF  | R 1,796.61 | R 1,899.02 | R 2,005.36 |
| Hard Copy of Land Use Regulations                         | R 359.55   | R 360.04   | R 401.33   |
| Customised product compilation fee (DVD, CD of documents) | R 239.32   | R 252.96   | R 267.13   |

**3.5.4 PENALTY**

|                        |             |             |             |
|------------------------|-------------|-------------|-------------|
| Application cost + 50% |             |             |             |
| Minimum                | R 19,945.02 | R 21,081.88 | R 22,262.47 |
| Maximum                | R 59,852.65 | R 63,264.25 | R 66,807.05 |

**3.6 APPLICATION FOR HOME ENTERPRISE  
VAT EXCLUDED(BUT PAYABLE)**

|  |          |          |          |
|--|----------|----------|----------|
| Application fee                            | R 211.04 | R 223.07 | R 235.56 |
| Departures land use restrictions on stands |          |          |          |
| < 500 square metre                         | R 211.04 | R 223.07 | R 235.56 |
| 501 - 750 square metre                     | R 316.56 | R 334.61 | R 353.34 |
| > 750 square metre                         | R 316.56 | R 334.61 | R 353.34 |

**3.7 CERTIFICATE PER ISSUE  
VAT EXCLUDED(BUT PAYABLE)**

|           |          |          |          |
|-----------|----------|----------|----------|
| Valuation | R 244.26 | R 260.29 | R 274.57 |
| Clearance | R 351.78 | R 371.83 | R 392.65 |
| Zoning    | R 211.04 | R 223.07 | R 235.56 |

**3.8 HIRING OF MACHINES( If machine used less than an hour still pay full price)**

|                  |          |          |            |
|------------------|----------|----------|------------|
| Grader per hour  | R 914.59 | R 966.73 | R 1,020.86 |
| TLB per hour     | R 562.82 | R 594.90 | R 628.22   |
| Front end loader | R 879.38 | R 929.51 | R 981.56   |
| Water truck      | R 527.60 | R 557.68 | R 588.91   |

**3.9 CONTRIBUTION TO BULK SERVICES****Payments to be made prior to approval of business plans**

|                          |  |
|--------------------------|--|
| Cost per square metre    |  |
| Residential low cost     |  |
| Non subsidised household |  |
| Business                 |  |
| Industrial               |  |

**3.9.1 Water**

|                  |             |             |             |
|------------------|-------------|-------------|-------------|
| Intermediate LOS | R 2,649.64  | R 2,800.67  | R 2,957.51  |
| Low              | R 5,705.62  | R 6,030.84  | R 6,368.56  |
| Medium           | R 11,139.53 | R 11,774.48 | R 12,433.85 |
| High             | R 21,396.68 | R 22,616.29 | R 23,882.80 |

**3.9.2 Sanitation**

|        |             |             |             |
|--------|-------------|-------------|-------------|
| Low    | R 7,335.80  | R 7,753.94  | R 8,188.16  |
| Medium | R 12,009.21 | R 12,693.73 | R 13,404.58 |
| High   | R 17,443.11 | R 18,437.37 | R 19,469.87 |

**3.9.3 Electricity**

|        |             |             |             |
|--------|-------------|-------------|-------------|
| LOS    | R 5,433.91  | R 5,743.64  | R 6,065.29  |
| Low    | R 10,867.82 | R 11,487.28 | R 12,130.57 |
| Medium | R 21,735.64 | R 22,974.57 | R 24,261.14 |
| High   | R 32,603.46 | R 34,461.85 | R 36,391.72 |









# APPENDIX C



# **GA-SEGONYANA LOCAL MUNICIPALITY**



## **CREDIT CONTROL AND DEBT COLLECTION POLICY**

**GA-SEGONYANA MUNICIPALITY**

# **POLICY: CREDIT CONTROL AND DEBT COLLECTION**

## **1. PREAMBLE**

- 1.1 In terms of Section 152 of the constitution of the Republic of South Africa, Act 108 of 1996 and Section 96 of the Municipal Systems Act no 32 of 2000 (herein after referred to as the "Systems Act") Chapter 7, Section 152 of the Constitution states the following:
- To provide democratic and accountable governance to local municipalities.
  - To ensure the provision of services to communities in a sustainable manner.
  - To promote a safe and healthy environment.
  - To encourage the involvement of communities and community organisations in the matters of local government.
- 1.2 The municipality must strive within its financial and administrative capacity for the achievement of the above mentioned objectives hence Section 96(a) and (b) of the Systems Act must be observed.
- 1.2.1. Section 96 (b) of the Systems Act requires from Ga-Segonyana Local Municipality to adopt, maintain and implement a Credit Control and Debt Collection Policy which is consistent with its Rates and Tariff policies and complies with the provisions of the Act.
- 1.2.2. Section 96 (a) of the Systems Act prescribes for Ga-Segonyana to collect all monies that is due and payable to it, subject to the provisions of that Act and any other applicable legislation.

## **2. RESPONSIBLE AUTHORITY**

- 2.1 The Council is responsible and should review the performance of the Municipality to endeavour to improve the efficiency of the credit control and debt collection services.
- 2.2 The delegated officials to assist the Council accomplish its responsibilities are the Municipal Manager, CFO/ Delegated official and officials appointed in the Debt Collection Section.
- 2.3 Municipal Manager

It is the responsibility of the Municipal Manager to report bi-monthly to the full Council on the status of debtors and action taken against them. Further more, the Municipal Manager must ensure that obligations under its by-laws and decisions by the Council are enforced by the Municipality Administration.

- 2.4 Ward Committees

The communication channel between Council and the public and Ward Committees should on a very regular basis be informed where the level of indebtedness exceeds the levels prescribed by the Council and who then also should make recommendations for improvement to Council. The Committee should comprise of the Ward Councillor and at least two members representing the community, which should be identified as Ward Leaders.

- 2.5 Obligation to measure

The Council should ensure that every Municipal services provided to a consumer

could either be metered or estimated or allocated at regular intervals, and establish a charge or tariff for those services. Estimates could be done up to a period of six months.

## 2.6 Agreement

Before supplying of a service, a consumer must enter into a contract of agreement, which should provide for the deposit to be paid as security. Notwithstanding the above. All debtors of any kind are obliged to honour their debts. The deposit is established in terms of the reviewed tariff structures for compiling the budget on a year to year basis.

In the case of a tenant a letter from the owner giving authority that the former can open an account must be provided.

## **SERVICE PROVIDERS OF THE MUNICIPALITY SHOULD APPLY OUR CREDIT CONTROL AND DEBT COLLECTION POLICY.**

## 2.7 Control over deposits of security

Deposits for services and sundry(rental contracts) received must be reviewed annually and a register should be maintained. The total sum of deposits received shall constitute a short-term liability in the books of the Municipality. No interest shall accrue in favour of the depositors thereof. Upon termination of the debtor's agreement with the Municipality, the deposit shall/will first be offset against any outstanding balance (if any) to be refunded to the consumer, sundry debtor deposits inclusive.

## 2.8 Rendering of accounts

Although Municipalities must render an account for the amount due by a debtor, failure thereof shall not relieve a debtor of the obligation to pay the amount. Accounts must reveal the following:

- a) Details of the consumption for a certain period of each service either by measuring, estimating or allocation.
- b) The amount due in terms of consumption.
- c) The amount due for each remaining service.
- d) Other amounts due.
- e) The amount due for property tax.

## 2.9 Final date of payment

### 2.9.1 Consumer Services Accounts

The invoice/account must state the final date of payment, which must not be later than the 15<sup>th</sup> of the following month after date of the invoice.

### 2.9.2 Assessment Rates Accounts

The invoice/account must state the final date of payment which must not be later than 30 September each year for property owners paying assessment rates levied as an annual single amount and for property owners paying assessment rates levied in 11 equal monthly instalments not later than the 15<sup>th</sup> of the following month after date of the invoice to be paid in full on the 15<sup>th</sup> May of each year.

## 3. **PURPOSE OF CREDIT CONTROL POLICY**

- 3.1 To ensure that all money due and payable to Ga-segonyana Local Municipality in respect of rates, fees for services, surcharges on such fees, tariffs, charges, interest accrued on any amounts due and payable in respect of foregoing and any collection charges are collected efficiently and promptly.
- 3.2 Provide for the setting of realistic targets consistent with generally recognised practices and collection ratios and also the estimates of income set in the annual budget of Ga-Segonyana less an acceptable provision for Bad Debts.
- 3.3 Provide for the termination of services or for restrictions on the provision of services when payments are overdue.
- 3.4 Provide for matters relating to the unauthorised consumption of services, theft and damages.
- 3.5 Provide for credit control and debt collection procedures and mechanisms.
- 3.6 Provide for any collection charges on the payment of overdue accounts.
- 3.7 Provide for the extension of time for payment on overdue amounts.
- 3.8 Provide for interest on overdue accounts.

## 4. Credit control Procedures

- 4.1 The purpose is to ensure that credit control forms an integral part of the financial system of the Municipality, and ensure that the same procedure be followed for each individual case.

### Arrears

An amount due after the final due date for payment, shall be an amount in arrears, the account following the month when the arrears occurred, should reflect the amount in arrears.

### 4.2 Action after failure to pay

#### 4.2.1 If a debtor fails by the demand date –

- 4.2.1.1 to pay the arrears amount
- 4.2.1.2 to lodge an appeal (query the amount of the account)
- 4.2.1.3 to conclude an agreement with the Municipality for payment of the arrears in instalments.



4.2.2 the Municipality can without further notice –

- 4.2.2.1 immediately disconnect, discontinue or restrict the supply of electricity to the debtor for both services and property rates accounts.
- 4.2.2.2 institute legal action for the recovery of the arrears amount within a period not exceeding thirty days from the demand date.
- 4.2.2.3 The debtor will be liable for all costs incurred in respect of the legal action taken against him/her including the commission charged by the debt collector.

4.3 Right of access

Municipal officials have the right of access to any property occupied by a debtor for the purposes of reading or inspecting meters or connections or to disconnect, discontinue or restrict supply of any service.

4.4 Right of appeal

An appeal must be submitted in writing to the Municipal Manager prior to the final due date for payment of the contested amount, and must contain details of the specific item(s) on the account which are the subject of appeal, with full reasons.

4.5 Payment during appeal

Once an appeal is lodged, the debtor's obligation to pay that portion of the total amount due represented by the items appealed against is suspended until the appeal has been finalised. The debtor must however immediately pay the balance of the account together with an amount representing the average cost of the item appealed against over the preceding three months, or an amount determined by the Municipal Manager. In the meantime, the debtor will remain due and liable for all other amount falling due during the adjudication of the appeal.

4.6 Adjudication of appeal

- 4.6.1 If the appeal is in respect of a metered consumption, the metered instrument must be tested, within 14 days of lodgement of appeal to establish the accuracy thereof.

The debtor should be informed in writing of the results of the test of the instrument, and of any adjustment to the amount due by him, together with the costs of the test for which the debtor will be liable if no error could be found with the instrument. If a faulty meter or instrument is revealed, the Municipality will bear the costs thereof.

5. **EXTENSION FOR PAYMENT**

5.1 Policy

5.1.1 Assessment Rates

The CFO/ Delegated official may/can arrange that the property owner pay the outstanding amount in eleven equal consecutive monthly instalments payable in full by 30 June each year or yearly in one instalment payable by 30 September of the year wherein the new assessment rates became taxable and payable. Interest should be charged from the 1<sup>st</sup> of October (applying to yearly instalments).

5.1.2 Consumer services and other debtors

The CFO/ Delegated official may/can arrange that the debtor pay the outstanding amount in equal monthly instalments over a period not exceeding 24 months.

5.1.3 Interest must be charged on the arrears debt mentioned in 5.1.1 and 5.1.2 at a rate of 1% above prime rate per year.

5.1.4 Other measures for extended repayment periods can also be dealt with by the CFO/ Delegated official as set out in 3.5 below.

5.1.5

5.2 Continuous default

If a debtor fails to comply with the terms of any agreement providing for an extension of time for payment, then the total of all amount due including interest and costs, shall immediately become payable without further notice to the debtor.

5.3 Extended repayment periods – Consumer accounts

5.3.1 If the overdue balance is outstanding for less than 6 months, a minimum down payment of 25% is required and the balance to be paid over a period not exceeding 6 months.

5.3.2 If the overdue amount is outstanding for longer than 7 months, a minimum of 50% down payment must be made and repayment period not to exceed 12 months.

5.3.3 For indigents a payment of 25% is allowed from six to twenty four months.

5.3.4 The debtor should request such arrangement and shall agree to the conditions attached thereto.

5.3.5 If the conditions as agreed are not adhered to, normal credit control procedures will be implemented.

5.3.6 When a debtor applies for further extension/arrangement, services will be discontinued until final payment is received.

5.3.7 The accounting officer may authorise deviation from extended repayment periods under exceptional cases provided that supporting documentation is attached.

5.3.8 All future current accounts must be paid on due date.

5.3.9

## **6. SETTLEMENT DISCOUNTS**

The municipality may offer the following discounts to its account holders only when settling the account in full:

### **6.1. Residential Accounts (RATES ACCOUNT AND SERVICES)**

6.1.1. 10% settlement discount within 30 days of receiving account i.e. by end of September

6.1.2. 5% settlement discount within 60 days, of receiving the account, i.e. October

6.1.3. 2.5% settlement discount within 60 days of receiving the account, i.e. by November

### **6.2. BUSINESS ACCOUNTS(RATES ONLY)**

6.1.1. 5% settlement discount within 30 days of receiving account i.e. by end of September

6.1.2. 2.5% settlement discount within 60 days, of receiving the account, i.e. October

6.1.3. 0.5 % settlement discount within 60 days of receiving the account, i.e. by November

### **6.3 DISCOUNT FOR SENIOR CITIZENS (SERVICES ONLY)**

6.3.1 A 10% monthly discount will be offered to senior citizens from the age of 60 years that are not registered as indigents and this also applies to community members above 50 years that are receiving medically unfit pension.

## **6.4. GOVERNMENT**

– No discounts will be offered to government accounts

### **6.5. DISCOUNTS ON SERVICE CHARGES (TRADING SERVICES)**

No discounts will be offered on any service chargers accounts due.

## **7. COMMENCEMENT AND RESUMPTION OF SERVICES**

### **7.1 New service connections**

Application for new connections can only be made by property owners or with their written consent, accompanied by positive identification.

In cases where there is an existing connection the account holder of services must first terminate his/her service to allow for the new service connection. No electricity will be connected if there are outstanding debt regarding services on the specific stand that the previous tenant was residing. The landlord/owner shall be held responsible for all outstanding services accounts.

Connections and supply of a new service may only be made after all charges in respect of deposits and connection fees have been paid.

No services will be rendered to the new occupant if the outstanding debt of the old occupant is not paid in full.

7.2 Resumption of discontinued services

7.2.1 If the debtor has –

7.2.1.1 paid the full amount outstanding

7.2.1.2 made an agreement with the Municipality for the payment of the amount in arrears the services will be resumed after 14h00 pm.

7.3 Unauthorised consumption, theft, damages and penalties

When established that a water or electricity meter has been tampered with by a transgressor (a consumer), the following actions are applicable:

6.3.1 A penalty fee payment of R10 000 for households, R20 000 for businesses and R30 000 for industrial site.

6.3.2 The replacement of a conventional meter with a pre-paid meter, the cost of the connection for the account of the transgressor/consumer.

6.3.3 The payment of an additional levy in respect of calculated average consumption since the date of deviation in consumption occurred on the account of the property involved.

8. **PROCEDURE OF FINAL RESORT**

The following will facilitate this concept:

8.1 Consumer Services

8.1.1 A Pre-Cut-off List must be compiled within 5 working days after due date of payment (15<sup>th</sup> of each month).

8.1.2 A Cut-Off List must be compiled within 14 working days after Pre-Cut-Off List's due date.

8.1.3 Services will be disconnected without any further notice.

8.1.4 Services may not be resumed before arrangements have been made for payment of an additional deposit, arrears outstanding and reconnection fee as stipulated in the written notice.

8.1.5 A report must be submitted by the person involved with the discontinuation of services in respect of unoccupied premises to try and locate such owners/users before the case is referred to the attorneys.

8.1.6 The deposit on services of an unoccupied dwelling must be brought into account before any arrears amount are handed over to the Debt Collection

Section for collection with the provision that the debtor/person stay at a known address.

8.1.7 In the event of cheques being returned by the Council's Bankers, the procedures are:

8.1.8 The person concerned will be informed by telephone/in writing of the in default of payment.

8.1.8.1 The services must immediately be discontinued if the person involved does not, within 24 hours, effect cash payment or provide a bank guaranteed cheque for the amount involved.

8.1.8.2 The person involved must be blacklisted for a period of 6 months and no cheques must be accepted from him/her.

8.1.9 If a conventional water and/or electricity consumer fails to pay their account on the prescribed due date, the conventional meter(s) will be replaced with a pre-paid meter at the cost of the consumer concerned. The criteria are the following:

7.1.10.1 The name of the consumer of water and/or electricity appeared twice on a cut-off list.

7.1.10.2 The consumer of water and/or electricity being thrice in default of payment.

7.1.10.3 The consumer of water and/or electricity failed to comply with arrangements made to pay arrears amounts for whatever reason.

7.1.10.4 The consumer of water and/or electricity used self righteousness to re-install water and/or electricity supplies to his premises after the supply has been disconnected by the Municipality for whatever reason.

Where consumer services have been disconnected for whatever reason in terms of the Council's policy, the Municipality is obliged to install a drip valve at the consumer concerned until all outstanding debt is paid in full.

## 7.2 Write-off of Irrecoverable Debts: Conditions

7.2.1 Where the debtor is untraceable.

7.2.2 Insolvency of debtor.

7.2.3 Where a contribution obligation may exist on sequestration of a business or individual.

7.2.4 The debtor has no movable or immovable property at his disposal.

7.2.5 The cost of collection exceeds the debt.

## 7.3 Bad Debt Recovered

7.3.1 The municipality can still recover written off debt when the person is traceable.

#### 7.4 Clearance Certificates

7.5.1 Before any property can be transferred from one owner to another, all arrears are payable before the Chief Financial Officer issues a certificate to that effect. No transfer can take place without such a certificate.

### 8 **DEBT COLLECTION**

#### 8.1 Procedures for the collection of outstanding debt on all debtors

- 8.1.1 Dispatch of accounts and payment thereof by the debtor within the prescribed time indicated on the account.
- 8.1.2 In the event of no payment /default payment of the account summons must be issued by the Debt Collection Section to those concerned.
- 8.1.3 In the event that no payment of the account the Manager Revenue and Debt Collection will automatically hand over to the appointed debt collectors ALL accounts in arrears for 90 days and above, without informing the account holder, as accounts are remitted to holders monthly, further reference be made to the Municipal Property Rates Act of 2004 s 27(2) it states that: *A person is liable for payment of a rate whether or not that person has received a written account in terms of subsection (1). If a person has not received a written account, that person must make the necessary inquiries from the municipality.*

#### 8.2 Credit control and debt collection of employee accounts.

8.2.1. Section 10 of the Systems Act reads as follows:

“A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from the staff member’s salary after this period”

Employees of the Municipality shall be subject to disciplinary hearings, as per the Municipal Systems Act (no 32 of 2 000), Schedule 2 S10, if they are found to be in arrears.

8.2.2. *Payment of arrear amounts by staff may be extended to a maximum of 24 months (not for everyone) in exceptional circumstances in order to deal with previous arrears and within the prescripts of the Basic Conditions of Employment Act. Thereafter no further arrears may be accumulated.*

*In order to ensure timeous, assured payment of employee accounts, all employees residing within Ga-Segonyana Local Municipality shall be subjected to an automatic deduction instituted against their salaries.*

#### 8.3 Credit Control and debt collection of councillor accounts.

The Local Government Laws Amendment Act (no 51 of 2002) states that:

“Municipal Councillors may not be in arrears to the municipality for rates and services for a period longer than 3 months”

Section 124(b) of the Municipal Finance Management Act (No 56 of 2003) reads as follows:

“The notes to the financial statements of a municipality must include particulars of



any arrears owed by individual councillors to the municipality for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days, including the names of those councillor...”

In order to ensure timeous, assured payment of councillor accounts, all councillors shall be subject to an automatic deduction instituted against their councillor allowance payments on a monthly basis.

#### 8.4 Building Plans deposit

- 8.4.1 Any outstanding arrears of the owner for services, sundry and rates accounts will be deducted first before the building plan deposit is released.

#### 8.5 Impairment of Trade Receivables

- 8.5.1 The impairment for trade receivables and loans and receivables is calculated based on the grading of individual debtors according to their payment history. An accumulation of arrear balances is an indicator of debtor delinquency. Such debtors are provided for as they are considered to be impaired due to uncertainty surrounding the recoverability of the outstanding amounts.

##### 8.5.2 Debtors are graded on the following basis:

- 8.5.2.1 Grade A: No provision. Customer account payments are up to date. There is no balance in arrears.
- 8.5.2.2 Grade B: 100% of balance outstanding in excess of 90 days: Customers with a payment history but with balances outstanding in excess of 90 days. The balance outstanding in excess of 90 days is provided for in full.
- 8.5.2.3 Grade C: 100% of total balance outstanding on account: Customers with no payment history. Accounts are considered to be delinquent. The balance is provided for in full (100% of the amount outstanding).
- 8.5.2.4 Government debtors are excluded from the provision calculation as they generally have a history of meeting their obligations.

/policy/nt









# APPENDIX D



# **GA-SEGONYANA LOCAL MUNICIPALITY**



## **PROPERTY RATES POLICY**



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## GA-SEGONYANA LOCAL MUNICIPALITY

### PROPERTY RATES POLICY

#### **1. LEGISLATIVE CONTEXT**

- 1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a local municipality in accordance with-
- a. Section 2(1), may levy a rate on property in its area; and
  - b. Section 2(3), must exercise its power to levy a rate on property subject to-
    - i. Section 229 and any other applicable provisions of the Constitution;
    - ii. the provisions of the Property Rates Act and the regulations promulgated in terms thereof; and
    - iii. the rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the Council of a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.
- 1.6 This policy must be read together with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and any regulations promulgated in terms thereof.

#### **2. DEFINITIONS**

- 2.1 "**Act**" means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 2.2 "**Agent**", in relation to the owner of a property, means a person appointed by the owner of the property-
- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
  - (b) to make payments in respect of the property on behalf of the owner;
- 2.3 "**Agricultural purpose**" in relation to the use of a property, includes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game;



- 2.4 **"Annually"** means once every financial year;
- 2.5 **"Category"**
- (a) in relation to property, means a category of properties determined in terms of Section 7 of this policy; and
  - (b) in relation to owners of properties, means a category of owners determined in terms of Section 8 of this policy.
- 2.6 **"Child-headed household"** means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in terms of section 28(3) of the Constitution.
- 2.7 **"Definitions, words and expressions"** as used in the Act are applicable to this policy document where ever it is used;
- 2.8 **"Land reform beneficiary"**, in relation to a property, means a person who -
- (a) acquired the property through -
    - (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
    - (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);
  - (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996);
  - (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution (Act No.108 of 1996) be enacted after this Act has taken effect;
- 2.9 **"Land tenure right"** means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004 (Act No.11 of 2004);
- 2.10 **"Municipality"** means the Local Municipality of Ga-Segonyana;
- 2.11 **"Newly Rateable property"** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding –
- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
  - (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;
- 2.12 **"Owner"**-
- (a) in relation to a property referred to in paragraph (a) of the definition of "property", means a person in whose name ownership of the property is registered;

- (b) in relation to a right referred to in paragraph (b) of the definition of "property", means a person in whose name the right is registered;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of "property", means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of "property", means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled",

provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:-

- (i) a trustee, in the case of a property in a trust excluding state trust land;
- (ii) an executor or administrator, in the case of a property in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in
- (iv) a judicial manager, in the case of a property in the estate of a person under
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

2.13 **"Privately owned towns serviced by the owner"** means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all rates related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreational facilities are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

2.14 **"Property"** means -

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure.

2.15 **"Public service infrastructure"** means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;

- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i).

2.16 **“Residential property”** means improved property that:-

- (a) is used predominantly (60% or more) for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes.
- (b) Is a unit registered in terms of the Sectional Title Act and used predominantly for residential purposes.
- (c) Is owned by a share-block company and used solely for residential purposes.
- (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.
- (e) Retirement schemes and life right schemes used predominantly (60% or more) for residential purposes.

And specifically exclude hostels, flats, old age homes, guest houses and vacant land irrespective of its zoning or intended use.

2.17 **“Rural communal settlements”** means the residual portion of rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

2.18 **“state trust land”** means land owned by the state-

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994).

### 3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.
- 3.4 In accordance with section 3(3) of the Act, the rates policy for the municipality is based on the following principles:
  - (a) Equity  
The municipality will treat all ratepayers with similar properties the same.
  - (b) Affordability  
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions, rebates and cross subsidy from the equitable share allocation.
  - (c) Sustainability  
Rating of property will be implemented in a way that:
    - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality;
    - ii. Supports local, social and economic development; and
    - iii. Secures the economic sustainability of every category of ratepayer.
  - (d) Cost efficiency  
Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account profits generated on trading (water, electricity) and economic (refuse removal, sewerage disposal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

#### **4. SCOPE OF THE POLICY**

- 4.1 This policy document guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

#### **5. APPLICATION OF THE POLICY**

- 5.1 In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

#### **6. PRINCIPLES APPLICABLE TO FINANCING OF SERVICES**

- 6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and the Executive Committee of the municipality, make provision for the following classification of services:-

(a) Trading services

- i. Water
- ii. Electricity

(b) Economic services

- i. Refuse removal.
- ii. Sewerage disposal.

(c) Community and subsidised services

These include all those services ordinarily being rendered by the municipality excluding those mentioned in 6.1 (a) and (b).

- 6.2 Trading and economic services as referred to in clauses (a) and (b) must be ring fenced and financed from service charges while community and subsidised services referred to in clause (c) will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

#### **7. CATEGORIES OF PROPERTY**

- 7.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:-

7.1.1 Residential properties;

7.1.2 Industrial properties;

7.1.3 Business properties;

- 7.1.4 Agricultural properties;
- 7.1.5 Small Holdings;
- 7.1.6 State owned properties;
- 7.1.7 Municipal properties;
- 7.1.8 Public service infrastructure referred to in the Act;
- 7.1.9 Educational;
- 7.1.10 Privately Owned Towns;
- 7.1.11 Vacant Stands.

- 7.2 In determining the category of a property referred to in 7.1 the municipality shall take into consideration the dominant use of the property, regardless the formal zoning of the property.
- 7.3 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 9 of this policy.

## **8. CATEGORIES OF OWNERS**

- 8.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 11, 12 and 13 respectively the following categories of owners of properties are determined:-
  - (a) Those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;
  - (b) Those owners who do not qualify as indigents in terms of the adopted indigent policy of the municipality but whose total monthly income is less than the amount annually determined by the municipality in its budget;
  - (c) Owners of property situated within an area affected by-
    - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
    - ii. serious adverse social or economic conditions.
  - (d) Owners of residential properties with a market value below the amount as determined annually by the municipality in its budget;
  - (e) Owners of properties situated in "privately owned towns" as referred to in clause 13.1 (b);
  - (f) Owners of agricultural properties as referred to in clause 13.1 (c); and
  - (g) Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household.

## **9. PROPERTIES USED FOR MULTIPLE PURPOSES**

- 9.1 Rates on properties used for multiple purposes will be levied in accordance with the "dominant use of the property".



## 10. DIFFERENTIAL RATING

10.1 Criteria for differential rating on different categories of properties will be according to:-

- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- (b) The promotion of local, social and economic development of the municipality.

10.2 Differential rating among the various property categories will be done by way of:-

- (a) setting different cent amount in the rand for each property category; and
- (b) by way of reductions and rebates as provided for in this policy document.

## 11. EXEMPTIONS AND IMPERMISSIBLE RATES

11.1 The following categories of property are exempted from rates:-

(a) Municipal properties

Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers. However, where municipal properties are leased, the lessee will be responsible for the payment of determined assessment rates in accordance with the lease agreement.

(b) Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. **For the 2018/19 financial year the maximum reduction is determined as R25 000.** The impermissible rates of R15 000 contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. The remaining R10 000 is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.

(c) Public Service Infrastructure

Is exempted from paying rates as allowed for in the Act as they provide essential services to the community.

(d) Right registered against a property

Any right registered against a property as defined in clause 2.14(b) of this policy is exempted from paying rates.

11.2 Exemptions in clause 11.1 will automatically apply and no application is thus required.

11.3 Impermissible Rates: In terms of section 17(1) of the Property Rates Act the municipality may, inter alia, not levy a rate:-

- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No.

57 of 2003) or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, or residential agricultural purposes.

- (b) On mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1 of the Act.
- (c) On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- (d) On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

#### 11.4 Public Benefit Organisations (PBO's)

Taking into account the effects of rates on PBOs performing a specific public benefit activity and if registered in terms of the Income Tax Act, 1962 (No 58 of 1962) for tax reduction because of those activities, Public Benefit Organizations may apply for the exemption of property rates. Public Benefit Organizations may include, inter alia:-

- (a) *Welfare and humanitarian*  
For example PBOs providing disaster relief.
- (b) *Health Care*  
For example PBO's providing counselling and treatment of persons afflicted with HIV and AIDS including the care of their families and dependents in this regard.
- (c) *Education and development*  
For example PBO's providing early childhood development services for pre-school children.
- (d) *Sporting bodies*  
Property used by an organization for sporting purposes on a non-professional basis:
- (e) *Cultural institutions*  
Property used for purposes declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
- (f) *Museums, libraries, art galleries and botanical gardens*  
Property registered in the name of private persons, open to the public and not operated for gain.
- (g) *Animal welfare*  
Property owned or used by organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.
- (h) *Cemeteries and crematoriums*  
Property used for cemeteries and crematoriums.
- (i) *Welfare institutions*  
Properties used exclusively as an orphanage, non-profit retirement villages, old age homes or benevolent/charitable institutions, including workshops used by the inmates,



laundry or cafeteria facilities; provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

(j) *Charitable institutions*

Property owned or used by institutions or organizations whose aim is to perform charitable work on a not-for-gain basis.

- 11.5 All possible benefiting organisations in clause 11.4 must apply annually for exemptions. All applications must be addressed in writing to the municipality by 30 June for the next financial year in respect of which the rate is levied. If the exemption applied for is granted the exemption will apply for the full financial year.
- 11.6 Public benefit organisations must attach a SARS tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962) to all applications.
- 11.7 The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.
- 11.8 The extent of the exemptions implemented in terms of clauses 11.1 to 11.4 must annually be determined by the municipality and included in the annual budget.

## **12. REDUCTIONS**

- 12.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following:-
- 12.1.1 Partial or total destruction of a property.
- 12.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).
- 12.2 The following conditions shall be applicable in respect of clause 12.1:-
- 12.2.1 The owner referred to in clause 12.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/ she will also have to indicate to what extent the property can still be used and the impact on the value of the property.
- 12.2.2 Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).
- 12.2.3 A maximum reduction to be determined on an annual basis shall be allowed in respect of both clauses 12.1.1 and 12.1.2. For the 2014/2015 financial year the maximum reduction is determined as 80%.

12.2.4 An ad-hoc reduction will not be given for a period in excess of 6 months, unless the municipality gives further extension on application.

12.2.5 If rates were paid in advance prior to granting of a reduction the municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made whichever occurs first.

### **13. REBATES**

#### **13.1. Categories of property**

##### **(a) Business, commercial and industrial properties**

- i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction. The following criteria will apply:-
  - a. job creation in the municipal area;
  - b. social upliftment of the local community; and
  - c. creation of infrastructure for the benefit of the community.
- ii. A maximum rebate as annually determined by the municipality will be granted on approval, subject to:-
  - a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
  - b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives; and
  - c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies.
- iii. All applications must be addressed in writing to the municipality by 30 June for the financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year.

##### **(b) Privately owned towns serviced by the owner**

The municipality grants an additional rebate, to be determined on an annual basis, which applies to privately owned towns serviced by the owner qualifying as defined in clause 2.13 of this policy. All applications must be addressed in writing to the municipality by 30 June for the next financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2018/19 financial year the rebate is determined as 20%.

##### **(c) Agricultural property rebate**

- i. When considering the criteria to be applied in respect of any exemptions, rebates and reductions on any properties used for agricultural purposes the municipality must take into account:-
  - a. the extent of rates related services rendered by the municipality in respect of such properties.

- b. the contribution of agriculture to the local economy.
  - c. the extent to which agriculture assists in meeting the service delivery and developmental objectives of the municipality; and
  - d. the contribution of agriculture to the social and economic welfare of farm workers.
- ii. In terms of section 84 of the Act the Minister for Provincial and Local Government, and in concurrence with the Minister of Finance as required through section 19 of the Act, may determine that a rate levied by the Council on a category of non residential property may not exceed the ratio to the rate on residential property. In the absence of any such promulgation the municipality will apply the standard ratio for agricultural properties as 1:0.25 (75% rebate on the tariff for residential properties). For the 2014/15 financial year the minister has promulgated a ratio of 1:0.25.
- iii. No other rebates will be granted to properties that qualify for the agricultural rebate. For the avoidance of doubt, properties that qualify for the agricultural rebate will not be entitled to the residential rate exemption as set out in clause 11.1(b) of this policy.

### **13.2 Categories of owners**

Indigent owners and child headed families will receive a 100% rebate from payment of property tax:-

#### **(a) Indigent owners**

Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality, regardless of the value of the property, will receive a 100% rebate from payment of property tax. If qualifying in terms of the indigent policy this 100% rebate will automatically apply and no further application is thus required by the owner.

#### **(b) Child headed families**

- i. Families headed by children will receive a 100% rebate for paying property tax, according to monthly household income. To qualify for this rebate the head of the family must:-
  - a. occupy the property as his/her normal residence;
  - b. not be older than 18 years of age;
  - c. still be a scholar or jobless; and
  - d. be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality. For the 2018/19 financial year this amount is determined as R4 340 per month.
- ii. The family head must apply on a prescribed application form for registration as a child headed household and must be assisted by the municipality with completion of the application form. If qualifying, this rebate will automatically apply and no further application is thus required.

#### **(c) Retired and Disabled Persons Rate Rebate**

- i. Retired and Disabled Persons, not registered as indigents, qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:-

- a. occupy the property as his/her normal residence;
  - b. be at least 60 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
  - c. be in receipt of a total monthly income from all sources as annually determined by the municipality (including income of spouses of owner);
  - d. not be the owner of more than one property; and
  - e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality. Applications must be accompanied by-
- a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
  - b. sufficient proof of income of the owner and his/her spouse;
  - c. an affidavit from the owner;
  - d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
  - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
- iii. All applications must be addressed in writing to the municipality by 30 June for the next financial year in respect of which the rate is levied. If the rebate applied for is granted the rebate will apply for the full financial year. For the 2018/19 financial year the total yearly income and corresponding rebate is determined as follows:-
- a. R0 to R60 000 per year - 40%.
  - b. R60 001 to R100 000 per year - 20%.
- iv. The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

- 13.3 The extent of the rebates granted in terms of clauses 13.1 and 13.2 must annually be determined by the municipality and included in the annual budget.

#### **14. PAYMENT OF RATES**

- 14.1 The rates levied on the properties shall be payable:-

- (a) on a monthly basis; or
- (b) annually, before 30 September each year.

- 14.2 Ratepayers may choose paying rates annually in one instalment on or before 30 September each year or monthly consecutive payments to be settled by 30 June. If the owner of property that is subject to rates, notify the municipal manager or his/her nominee in writing not later than 30 June in any financial year, or such later date in such financial year as may be determined by the municipality that he/she wishes to pay all rates annually, such owner shall be entitled to pay all

rates in the subsequent financial year and each subsequent financial year annually until such notice is withdrawn by him/her in a similar manner.

- 14.3 The municipality shall determine the due dates for payments in monthly installments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent.
- 14.4 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the Credit Control and Debt Collection Policy of the Municipality.
- 14.5 If a property owner who is responsible for the payment of property rates in terms of this policy fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control and Debt Collection By-law of the Municipality.
- 14.6 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act and the Municipality's credit control and debt collection by-law.
- 14.7 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 14.8 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

## **15. ACCOUNTS TO BE FURNISHED**

- 15.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-
  - (i) the amount due for rates payable,
  - (ii) the date on or before which the amount is payable,
  - (iii) how the amount was calculated,
  - (iv) the market value of the property, and
  - (v) rebates, exemptions, reductions or phasing-in, if applicable.
- 15.2 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.

- 15.3 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

## **16. PHASING IN OF RATES**

- 16.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.

- 16.2 The phasing-in discount on the properties referred to in section 21 shall be as follows:-

- First year : 75% of the relevant rate;
- Second year : 50% of the relevant rate; and
- Third year : 25% of the relevant rate.

- 16.3 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount on these properties shall be as indicated below:-

- First year : 100% of the relevant rate;
- Second year : 75% of the relevant rate;
- Third year : 50% of the relevant rate; and
- Fourth year : 25% of the relevant rate.

## **17. SPECIAL RATING AREAS**

- 17.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.

- 17.2 The following matters shall be attended to in consultation with the committee referred to in clause 17.3 whenever special rating is being considered:-

17.2.1 Proposed boundaries of the special rating area;

17.2.2 Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;

17.2.3 Proposed improvements clearly indicating the estimated costs of each individual improvement;

17.2.4 Proposed financing of the improvements or projects;

17.2.5 Priority of projects if more than one;



- 17.2.6 Social economic factors of the relevant community;
  - 17.2.7 Different categories of property;
  - 17.2.8 The amount of the proposed special rating;
  - 17.2.9 Details regarding the implementation of the special rating;
  - 17.2.10 The additional income that will be generated by means of this special rating.
- 17.3 A committee consisting of 6 members of the community residing within the area affected will be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.
- 17.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50% plus one of the households affected. Each relevant household within the special rating area, i.e. every receiver of a monthly municipal account, will have 1 vote only.
- 17.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 7 of this policy.
- 17.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.
- 17.7 The municipality shall establish separate accounting and other record-keeping systems for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.
- 18. FREQUENCY OF VALUATION**
- 18.1 The municipality shall prepare a new valuation roll at least every 4 (four) years.
- 18.2 In accordance with the Act the municipality, under exceptional circumstances, may request the MEC for Local Government and Housing in the province to extend the validity of the valuation roll to 5 (five) years.
- 18.3 Supplementary valuations may be done on a continual basis but at least on an annual basis.

## **19. COMMUNITY PARTICIPATION**

- 19.1 Before the municipality adopts the rates policy, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:-
- 19.1.1 Council must establish appropriate mechanisms, processes and procedures to enable the local community to participate and will provide for consultative sessions with locally recognised community organisations and where appropriate traditional authorities.
  - 19.1.2 Conspicuously display the draft rates policy for a period of at least 30 days (municipality to include period decided on) at the municipality's head and satellite offices, libraries and on the website.
  - 19.1.3 Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection.
  - 19.1.4 Property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a fee as determined by Council as part of its annual tariffs. Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.
  - 19.1.5 Council will consider all comments and/or representations received when considering the finalisation of the rates policy.
  - 19.1.6 The municipality will communicate the outcomes of the consultation process in accordance with section 17 of the Municipal Systems Act 32 of 2000.

## **20. REGISTER OF PROPERTIES**

- 20.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.
- 20.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 20.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:
- i. Exemption from rates in terms of section 15 of the Property Rates Act,
  - ii. Rebate or reduction in terms of section 15,
  - iii. Phasing-in of rates in terms of section 21, and
  - iv. Exclusions as referred to in section 17.
- 20.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 20.5 The municipality will update Part A of the register during the supplementary valuation process.



- 20.6 Part B of the register will be updated on an annual basis as part of the implementation of the municipality's annual budget.

**21. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY**

- 21.1 The municipality will adopt By-laws to give effect to the implementation of the Rates Policy and such By-laws may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates.

**22. REGULAR REVIEW PROCESSES**

- 22.1 The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the Integrated Development Plan and recent legislation.

**23. ENFORCEMENT/IMPLEMENTATION AND ENQUIRIES**

- 23.1 This policy has been approved by the Municipality in terms of Council resolution ..... dated .....and takes effect on the effective date of the General valuation roll on 1 July 2018.







# APPENDIX E



# **GA-SEGONYANYA LOCAL MUNICIPALITY**



## **BUDGET AND VIREMENTS POLICY**

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## **1. INTRODUCTION**

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, Subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year.

According to subsection (2) of the Act concerned, in order to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals.

## **2. OBJECTIVES**

The objective of this policy is to set out:

- The responsibilities of Council, the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence to the IDP review and budget processes.
- This policy seeks to build a regulatory framework and guidance around adjustment of the municipality's budgets (Operating or Capital Budget).
- This policy shall be read in the context of the provisions of the following acts, regulations and administrative guidelines;
  - MFMA Circulars
  - MFMA 56 of 2003
  - Municipal Budget and Reporting Regulations, Government Gazette no. 32141 dated 17 April 2009

## **3. BUDGETING PRINCIPLES**

The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels unless motivated by the implementation of a certain policy or legislative requirement.

Expenses may only be incurred in terms of the approved annual budget (or adjustment budget) and within the limits of the amounts appropriated for each vote in the approved budget.

Gasegonyana Local Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council.

Directorates must always ensure that their budgets are structured in a manner that achieves the most appropriate alignment with the Integrated Development Plan (IDP) and procurement plans so as to avoid unnecessary adjustment of the budget.

The Policy is designed to enable Directorates to utilize efficiency savings derived in the implementation of some project to defray excess expenditure elsewhere within the Directorates.

#### **4. BUDGET PREPARATION PROCESS**

##### **4.1 FORMULATION OF THE BUDGET**

The Accounting Officer with the assistance of the Chief Financial Officer and the IDP Manager shall draft the IDP process plan as well as the budget timetable for the municipality for the ensuing financial year.

The Mayor shall table the IDP process plan as well as the Budget Timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).

IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.

- a) The Mayor shall convene a strategic workshop in September/October with the mayoral committee and senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and service delivery pressures facing the municipality.
- b) The Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies.

- c) The Chief Financial Officer, Manager: Financial Services, Financial Managers and Senior Managers undertake the technical preparation of the budget.
- d) The budget must be in the prescribed format, and must be divided into capital and operating budget.
- e) The budget must reflect the realistically expected revenues by source for the budget year concerned.
- f) The expenses reflected in the budget must be divided into line items.
- g) The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

**The budget must be accompanied by the following documents:**

- a) Draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial concerned
- b) Draft resolutions (where applicable) amending the IDP and the budget related policies
- c) Measureable performance objectives for each budget vote taking into account the municipality's IDP
- d) The projected cash flows for the financial year by revenue source and expenditure votes broken down per month
- e) The cost to the municipality for the budget year of the salaries, allowances and other benefits

#### **4.2 QUALITY CERTIFICATE**

Whenever a draft or an annual budget and supporting documentation, an adjustment budget and supporting documentation or an in-year report of a municipality is submitted to the mayor, tabled in the municipal council, made public or submitted to another organ of state, is must be accompanied by a quality certificate signed by the municipal manager.

#### **4.3 CONSISTENCY IN BASES OF MEASUREMENT AND ACCOUNTING POLICIES**

The municipal manager of a municipality must take all reasonable steps to ensure that;

- a) the basis of measurement and accounting policies underpinning the municipality's annual financial statements are the same as those used in

the preparation of the municipality's annual budget and supporting documentation, its adjustments budgets and supporting documentation, and its in-year reports; and

b) any differences or changes between financial years are explicitly noted.

#### **4.4 BUDGET RELATED POLICIES OF THE MUNICIPALITY**

The municipal manager of a municipality must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1) (b) of the Act.

#### **4.5 ANNUAL BUDGETS OF THE MUNICIPALITY**

Format of annual budgets

The annual budget and supporting documentation of a municipality must be in the format specified by National Treasury, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

### **5 . FUNDING OF EXPENDITURE**

- 1) The funding of an annual budget must be consistent with the trends, current and past, of actual funding collected or received.
- 2) Realistically anticipated revenues to be received from national or provincial government, national or provincial public entities, other municipalities, municipal entities, donors or any other source may be included in an annual budget only if there is acceptable documentation that guarantees the funds. Acceptable documentation is constituted by –
  - a) in case of allocations or transfers from national or provincial government, the latest available –
    - (i) gazetted allocations or transfers to the municipality following the approval of the current year's Division of Revenue Act, national annual budget, national adjustments budget, relevant provincial annual budget or provincial adjustments budget;
    - (ii) proposed allocations or transfers to the municipality contained in the tabled national and provincial budgets as detailed in accordance with section 36(2) of the Act;
    - (iii) written notifications from the relevant treasury of proposed allocations or transfers subsequent to the previous year's national and provincial approved annual budgets and latest adjustment budgets, but prior to the current year's budgets being tabled; or

- (iv) the previous years' allocations or transfers in the national and provincial annual budgets and adjustments budgets as gazetted;
  - b) in the case of transfers from other municipalities, the latest available –
    - (i) transfers in the approved annual budget or any subsequent approved adjustments budget of the transferring municipality;
    - (ii) proposed transfers contained in the tabled annual budget of the relevant transferring municipality;
    - (iii) written notification of proposed transfers from transferring municipalities communicated to the municipality in terms of section 37(2) of the Act; or
    - (iv) the previous year's transfers in the approved annual budget or any adjustments budget of the transferring municipality; and
  - c) in case of agency payments, public contributions, donations, donor grants or any other grants, subsidies or contributions, the relevant service level agreement, contract or other legally binding document which guarantees the funding.
- 3) Estimated provision for revenue from rates, taxes, levies or other charges that will not be collected must be budgeted for separately and reflected on the expenditure side of the municipality's annual budget and not netted out from budgeted revenue.
  - 4) The cash flow budget must reflect all funds realistically forecast to be collected, including arrears.
  - 5) The municipal manager in signing the quality certificate certifies that all ratepayers and consumers are accounted for in the annual budget calculations and that billing systems including property records and metering information are up to date and consistent with the revenue projections in the annual budget.
  - 6) To determine whether an annual budget is funded in accordance with section 18 of the Act, a simultaneous analysis is required of the financial performance, financial position, cash flow, and capital expenditure budgets together with any requirements for working capital and cash investments held for statutory or contractual purposes.

## **5.1 Funding of capital expenditure**

- 1) An annual budget must show total capital expenditure and the different sources of funding.
- 2) All sources of funding shown in terms of sub regulation (1) must be available, and must not have been committed for other purposes.



- 3) The total budgeted capital funding by source must equal the total budgeted capital expenditure.

## **6. APPROVAL OF CAPITAL PROJECTS**

- 1) Within ten working days after the municipal council has given individual approval for a capital project in terms of section 19(1)(b) of the Act, the municipal manager must in accordance with section 21A of the Municipal System Act make public –
  - a) the municipal council resolution approving the capital project; and
  - b) details of the nature, location and total projected cost of the approved capital project.
- 2) The following capital projects may be approved by a council either individually or as part of a consolidated capital programme as contemplated in section 19(3) of the Act:
  - a) capital projects of which the total projected cost is below R50 million, in the case of a municipality with approved total revenue in its current annual budget greater than R500 million.
- 3) Sub regulation (1) does not apply to capital projects whose total projected cost when the annual budget is approved is below the values set out in sub regulation (2).
- 4) Expenditure needed for capital projects below the values set out in sub regulation (2) may be included in the annual budget before the project is approved in terms of section 19(3) of the Act.

## **7. TABLING OF ANNUAL BUDGETS IN MUNICIPAL COUNCILS**

- 1) An annual budget and supporting documentation tabled in a municipal council in terms of sections 16(2) and 17(3) of the Act must –
  - a) be in the format in which it will eventually be approved by the council; and
  - b) be credible and realistic such that it is capable of being approved and implemented as tabled.
- c) When complying with section 68 of the Act, the municipal manager must submit
- 2) The draft municipal service delivery and budget implementation plan to the mayor together with the annual budget to be considered by the mayor for tabling in terms of section 16(2) of the Act.

- 3) For effective planning and implementation of the annual budget, the draft municipal service delivery and budget implementation plan may form part of the budget documentation and be tabled in the municipal council if so recommended by the budget steering committee.

## **8. PUBLICATION AND SUBMISSION OF ANNUAL BUDGETS FOR CONSULTATION**

- 1) When making public the annual budget and supporting documentation in terms of section 22(a) of the Act, read with section 21 A of the Municipal Systems Act, the municipal manager must also make public any other information that the municipal council considers appropriate to facilitate the budget consultation process, including –
  - b) summaries of the annual budget and supporting documentation in alternate languages predominant in the community; and
  - c) information relevant to each ward in the municipality.
- 2) All information contemplated in sub regulation (1) must cover:
  - a) the relevant financial and service delivery implications of the annual budget; and
  - b) at least the previous year's actual outcome, the current years forecast outcome, the budget year, and the following two years.
- 3) When submitting the annual budget to the National Treasury and the relevant provincial treasury in terms of section 22(b) (i) of the Act, the municipal manager must also submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form –
  - a) the supporting documentation as tabled in the municipal council; and
  - b) any other information as may be required by the National Treasury.
- 4) The municipal manager must send copies of the annual budget and supporting documentation as tabled in the municipal council, in both printed and electronic form to –
  - a) Any other municipality affected by the annual budget within ten working days of the annual budget being tabled in the municipal council; and
  - b) Any other organ of state on receipt of a request from that organ of state.
  - c) Within 14 days after the draft annual budget has been tabled, the Municipality must post the budget and other budget-related documentation onto the municipal website so that it is accessible to the public as well as send hard copies to National Treasury.
  - d) The Chief Financial Officer must within 14 days submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the municipal website.

## **9. CONSIDERATION OF ANNUAL BUDGETS BY MUNICIPAL COUNCILS**

- 1) At least 30 days before the start of the budget year the mayor must for purposes of section 23 of the Act table the following documents in the municipal council –
  - a) a report summarizing the local community's views on the annual budget;
  - b) any comments on the annual budget received from the National Treasury and the relevant provincial treasury;
  - c) any comments on the annual budget received from any other organ of state, including any affected municipality; and
  - d) any comments on the annual budget received from any other stakeholders.
- 2) The municipal manager must assist the mayor in the preparation of the documents referred to in sub regulation (1) and section 23(2) of the Act.

## **10. APPROVAL OF ANNUAL BUDGETS**

- 1) A municipal council must consider the full implications, financial or otherwise, of the annual budget and supporting documentation before approving the annual budget.
  - a) The council resolution can contain budget policies.
  - b) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.
  - c) The budget tabled to Council for approval shall include the following supporting documents:
    - i. resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
    - ii. other resolutions;
    - iii. National Treasury prescribed budget schedules and supporting tables;
    - iv. any proposed amendments to the IDP;
    - v. any proposed amendments to the budget related policies.
- 2) When approving an annual budget, a municipal council must in terms of section 24(2) (c) of the Act, consider and adopt separate resolutions dealing with each of the matters contemplated in that section.
  - a) Within 14 days after the draft annual budget has been tabled, the Municipality must post the budget and other budget-related



documentation onto the municipal website so that it is accessible to the public as well as send hard copies to National Treasury.

- b) The Chief Financial Officer must within 14 days submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the municipal website.

## **11. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)**

The mayor must approve the Service Delivery and Budget Implementation Plan in the required format not later than 28 days after the approval of the Budget by Council.

## **12. CAPITAL BUDGET**

- a) Expenditure of a project shall be included in the capital budget if it meets the asset definition.
- b) Vehicle replacement shall be done in terms of Council's vehicle replacement policy.
- c) A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- e) Before approving a capital project, the Council must consider:
  - i. the projected cost of the project over all the ensuing financial years until the project becomes operational,
  - ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- f) Before approving the capital budget, the council shall consider:
  - i. the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
  - ii. depreciation of fixed assets,
  - iii. maintenance of fixed assets, and
  - iv. any other ordinary operational expenses associated with any item on such capital budget.
- g) Council shall approve the annual or adjustment capital budget only if it

- has been properly balanced and fully funded.
- h) The capital expenditure shall be funded from the following sources:

## **12.1 REVENUE OR SURPLUS**

If any project is to be financed from revenue this financing must be included in the:

- cash budget to raise sufficient cash for the expenditure.

If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.

## **12.2. EXTERNAL LOANS**

- External loans can be raised only if it is linked to the financing of an asset;
- A capital project to be financed from an external loan can only be started if the loan has been secured.
- The loan redemption period should not exceed the estimated life expectancy of the asset.
- Interest payable on external loans shall be included as a cost in the operating budget;
- Finance charges relating to such loans shall be charged to the service/vote to which the projects relate.

## **12.3 GRANT FUNDING**

- Non capital expenditure funded from grants must be budgeted for as part of the operating budget;
- Expenditure must be reimbursed from the funding creditor and transferred to the operating budget for as such;
- Capital expenditure must be budgeted for in the capital budget;
- Grant funding should be secured before spending can take place.

## **13. OPERATING BUDGET**

- a) The municipality shall budget in each annual and adjustments budget for the contribution / payment of:
- i. provision for accrued leave

- ii. unauthorized / over and other expenditure
- iii. provision for bad debts
- iv. provision for the obsolescence and deterioration of stock
- v. Depreciation and finance charges.
- b) When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- c) The impact of such increases shall be assessed on the basis as required by National Treasury.

#### **14. FUNDING OF CAPITAL AND OPERATING BUDGET**

- a) The budget may be financed only from:
  - i. realistically expected revenues, based on current and previous collection levels;
  - ii. cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
  - iii. borrowed funds in respect of the capital budget only.
  - iv. grant funding

#### **15. UNSPENT FUNDS / ROLL OVER OF BUDGET**

- a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, except for external funds relating to capital expenditure.
- b) Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
- c) Conditions of the grant fund shall be taken into account in applying for such rollover of funds
- d) Application for rollover of funds shall be forwarded to the budget office by the 15th of August each year to be included in next year's Adjustment budget for adoption by Council in February.
- e) Projects funded from the Capital Replacement Reserve can be rolled over to the next budget year only if confirmed by the Budget and Treasury Office.
- f) No unspent operating budget shall be rolled over to the next budget year.

## **16. BUDGET TRANSFERS AND VIREMENTS**

- a) Budget transfers within the same vote shall be recommended by a Senior Manager and approved by the Chief Financial Officer or such other senior delegated official in the Budget and Treasury Office.
- b) No budget transfers or virement shall be made to or from salaries except with the prior approval of the Chief Financial Officer.
- c) Virements should be based on sound risk and financial management.
- d) Virements to or from the following categories is not permitted: bulk purchasing, provision for bad debts, depreciation and income.
- e) Directors may utilize a saving in the amount appropriated under a main expenditure category (e.g. Salaries, General Expenses etc.) within a vote and service which is under their control towards the defrayment of excess expenditure under another main expenditure category within the same vote and service, with the approval of the Chief Financial Officer or such senior delegated official in the Budget & Treasury Department.
- f) Virements of conditional grant funds to purpose outside of that specified in the relevant conditional grant framework is not permitted.
- g) Savings in an amount appropriated for capital expenditure may not be used to defray operational expenditure.
- h) Virements should not result in adding new projects to the Capital Budget.
- i) Virements will be processed through completing a Virement Form (please see attached) which must be signed by the relevant Director and the budget accountant. All completed and signed Virement Forms must be forwarded to the Budget Office for processing or amending budget line items accordingly. This will ensure that all virements performed during the year can be tracked down.

## **17. ADJUSTMENT BUDGET**

### **17.1 Formats of adjustments budgets**

An adjustments budget and supporting documentation of a municipality must be in the format specified by National Treasury, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

### **17.2 Funding of adjustments budgets**

- 1) An adjustments budget of a municipality must be appropriately funded.
- 2) The supporting documentation to accompany an adjustments budget in terms of section 28(5) of the Act must contain an explanation of how the adjustments budget is funded.

### **17.3 Timeframes for tabling of adjustments budgets**

- 1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the each year.
- 2) Only one adjustments budget referred to in sub regulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case sub regulation (3) applies.
- 3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2) (b) of the Act in the municipal council to appropriate these additional revenues.
- 4) An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred and within the time period set in section 29(3) of the Act.
- 5) An adjustments budget contemplated in section 28(2)(g) of the Act may only authorize unauthorized expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –
  - a) dealt with as part of the adjustments budget contemplated in sub regulation (1); and
  - b) a special adjustments budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorized expenditure from the previous financial year which the council is being requested to authorize in terms of section 32(2)(a)(i) of the Act.

Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenditure.

- a) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations



to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.

- b) Council may revise its annual budget by means of an adjustments budget as regulated.
- c) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- d) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- e) The Council should also authorize the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.
- f) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- g) Unauthorized expenses may be authorized in an adjustments budget.
- h) In regard to unforeseen and unavoidable expenditure, the following apply:
  - i. the Executive mayor may authorize such expenses in an emergency or other exceptional circumstances;
  - ii. these expenses must be reported by the Executive mayor to the next Council meeting;
  - iii. the expenses must be appropriated in an adjustments budget; and
  - iv. Council must pass the adjustments budget within sixty days after the expenses were incurred.

#### **17.4 Submission of tabled adjustments budgets**

- 1) The municipal manager must comply with section 28(7) of the Act, read together with section 22(b) (i) of the Act, within ten working days after the mayor has tabled an adjustments budget in the municipal council.
- 2) When submitting the tabled adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28(7) of the Act, read together with section 22(b)(i) of the Act, the municipal manager must submit in both printed and electronic form –
  - a) the supporting documentation referred to in section 28(5) of the Act within ten working days of the adjustments budget being tabled in the municipal council; and
  - b) any other information as may be required by the National Treasury.
- 3) The municipal manager must send copies of an adjustments budget and supporting documentation, in both printed and electronic form to –

- a) any other municipality affected by that adjustments budget within ten working days of the adjustments budget being tabled in the municipal council; and
- b) any other organ of state on receipt of a request from that organ of state.

#### **17.5 Approval of adjustments budget**

- 1) A municipal council must consider the full implications, financial or otherwise, of the adjustments budget and supporting documentation referred to in regulation 21 before approving the adjustments budget.
- 2) A municipal council may approve an adjustments budget dealing with matters referred to in section 28(2)(c) of the Act only if the expenditure was recommended by the mayor in accordance with the framework prescribed in Chapter 5 of these Regulations.

### **18. IN-YEAR REPORTS OF MUNICIPALITIES**

#### **18.1 Format of monthly budget statements**

The monthly budget statement of a municipality must be in the format specified by National Treasury, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

#### **18.2 Publication of monthly budget statements**

- 1) The monthly budget statement of a municipality must be placed on the municipality's website.

#### **18.3 Quarterly reports on implementation of budget**

- 1) The mayor's quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required by section 52(d) of the Act must be –
  - a) in the format specified by National Treasury, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and
  - b) consistent with the monthly budget statements for September, December, March and June as applicable; and
  - c) submitted to the National Treasury and the relevant provincial treasury within five days of tabling of the report in the council.

#### **18.4 Format of a mid-year budget and performance assessment**

A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified by National treasury, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

### **18.5 Publication of mid-year budget and performance assessments**

1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.

### **18.6 Submission of mid-year budget and performance assessments**

The municipal manager must submit to the National Treasury and the Relevant provincial treasury, in both printed and electronic form –

- a) the mid-year budget and performance assessment by 25 January of each year; and
- b) any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.

## **19. BUDGET IMPLEMENTATION**

### **19.1 Monitoring**

a) The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:

- funds are spent in accordance with the budget;
- expenses are reduced if expected revenues are less than projected; and
- revenues and expenses are properly monitored.

b) The Accounting officer with the assistance of the Chief Financial Officer must prepare any adjustments budget when such budget is necessary and submit it to the Executive mayor for consideration and tabling to Council.

## **20. CONCLUSION**

The Accounting Officer must place on the municipality's official website the following:

- the annual and adjustments budgets and all budget-related documents;
- all budget-related policies;
- the integrated development plan
- the annual report;







# APPENDIX F



# **GA-SEGONYANA LOCAL MUNICIPALITY**

## **BULK SERVICES CONTRIBUTION POLICY: WATER, SANITATION AND ELECTRICITY**





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## 1. DEFINITIONS

- 1.1 **"Average monthly demand"** means the average estimated or measured demand by any user or consumer in respect of any Service during any continuous period of 12 months or such other period as may be determined by the Municipality;
- 1.2 **"Bulk infrastructure"** means the public infrastructure by means of which water, sewerage and electricity are generated, collected, stored, purified, conveyed and disposed of, as the case may be, and which connects to the reticulation system which in turn distributes services to or from end users;
- 1.3 **"Bulk services contribution"** means a monetary contribution levied by the municipality and recovered from developers as a connection fee in respect of a development;
- 1.4 **"Cost of capital"** means the cost of capital expressed as an effective annual interest rate at which the Bulk Infrastructure is financed by any Financier;
- 1.5 **"Demand model"** means a model utilised by the Municipality to project over a specified period of time the demand (peak and monthly average) needed for specific services to be provided to accommodate development.
- 1.6 **"Development"** means any new or extended building, office complex, office park, retail centre or other commercial development, factory or industrial development or park, mine, township, subdivision, division, consolidation, rezoning, consent use or enhanced use rights of whatever nature granted on land by the municipality;
- 1.7 **"Gross lettable area" or "GLA"** means that portion of a development, which can be occupied for its intended use;
- 1.8 **"Individual residential dwelling"** for purposes of sanitation services, means any individually metered residential dwelling where its sewage is



water-borne and which is further classified in terms of the following categories:

- 1.8.1 Low capacity unit: featuring 1 toilet per unit or erf;
  - 1.8.2 Medium capacity unit: featuring 2 toilets per unit or erf;
  - 1.8.3 High capacity unit: featuring 3 or more toilets per unit or erf.
- 1.9 **"Peak demand"** means the highest estimated or measured demand by any user during any continuous period of 24 months or such shorter period as may be determined by the municipality;
- 1.10 **"Unit contribution"** means a bulk service contribution, expressed as a monetary amount payable in respect of a defined component of a development (such as a residential unit or a unit of usable space);
- 1.11 **"Present value" or "PV"** means the value of an amount of money which is to be spent over an extended period expressed at its current value, after taking into account the projected change in the value of money;

## 2. OBJECTIVE OF THE POLICY

- 2.1. The municipality recovers the cost to it of bulk infrastructure by providing for a portion thereof in the tariffs for the service in question as well as by means of bulk service contributions.
- 2.2. This policy provides a framework for the determination of bulk service contributions on an equitable basis thereby allowing tariffs to be set at a more affordable level and shortening the period of recovery of the capital cost of bulk infrastructure, thus reducing long-term debt, improving the municipality's balance sheet and its credit rating and further enabling the municipality to develop a capital reserve for new and replacement bulk infrastructure.





- 2.3. The municipality is entitled to levy bulk infrastructure contributions as a condition of approval of a development, in terms of section 42, Land Use Planning Ordinance (Cape) 15/1985.
- 2.4. It is accepted that existing property owners already contributed to some extend to the capital cost of bulk infrastructure at the time of their respective developments in the past and additional contributions will be applicable only on extension of existing structures or for increased use rights.
- 2.5. The municipality will levy bulk service contributions when it approves a new development, specific extensions to existing building structures or grants increased use rights for an existing development to account for the projected impact the development or alterations thereto will have on the municipality's bulk infrastructure, accordingly enabling it to fulfil its constitutional mandate to provide sustainable municipal services.

### **3. JUST ADMINISTRATIVE ACTION**

- 3.1. The Constitution entitles everyone to administrative action which is lawful, reasonable and procedurally fair and to be given reasons for any such action which affects them.
- 3.2. The Promotion of Administrative Justice Act 3/2000 is the legislation required by the Constitution to give effect to the right to just administrative action and to promote an efficient administration and good governance and to create a culture of accountability, openness and transparency in public administration or in the exercise of a public power or the performance of a public function.
- 3.3. This policy incorporates the above principles by providing parameters and procedures to guide the municipality and its officers in implementing it, and thereby exercising a public power through a series of administrative actions. In so doing, this policy seeks to provide certainty on the part of those affected by it with regard to how the municipality will act in the



circumstances covered by the policy and uniformity of action on the part of its officers.

- 3.4. The municipality commits itself and its officers to act fairly and justly in an open and transparent manner in implementing this policy.

## **4. METHODOLOGY**

- 4.1. In the case of water and sanitation infrastructure systems, the municipality must plan to provide bulk infrastructure capable of delivering the peak demand thereon (in the case of water) or peak flow therein (in the case of sewerage) over a defined planning period.
- 4.2. The municipality has developed a demand model for these two services, assessing the period 2010 to 2030 and has projected the increased peak demand and flow, respectively, for that period, resulting from developments, enabling it to reflect this increase as a percentage of system capacity.
- 4.3. Bulk services contributions in the form of connection fees are calculated to recover a similar percentage of the current bulk infrastructure budget.
- 4.4. In order to ensure an equitable spread of contributions, the connection fees for residential water users will be determined by reference to connection and meter size, which define low, medium and high capacity users.

The demand model enables the expected total peak demand for each category to be determined and accordingly a proportionate connection fee to be set, thus allowing developers to contribute according to the impact each category of user in their developments will have on bulk infrastructure (and in turn to recover appropriately from end-users).

- 4.5. In similar fashion, in terms of the demand model, the expected peak flow of sewerage can be calculated for each category (this being directly proportional to water use), which are accordingly defined by reference to water connection and meter size.



- 4.6. For both the water and sewerage services, the unit contribution for typical commercial and industrial developments and residential developments which are not individually metered are calculated on the basis of a fee per set unit of gross lettable area and the policy provides for the calculation, where necessary, of a connection fee based on actual peak demand, in the case of potentially extraordinarily high capacity users.
- 4.7. With regard to electricity, again the demand model enables the increase in peak demand resulting from developments to be determined over the planning period and said increase to be reflected as a proportion of current capital spend. Contributions are calculated to recover the amount arrived at.

In order to ensure an equitable spread of contributions, individual contributions are calculated by reference to connection size (given that smaller capacity connections have a significantly lower expected maximum demand than medium and high capacity connection users).

- 4.8. As with water and sewerage, the unit contribution for typical commercial and industrial developments and residential developments which are not individually metered, is based on a fee per set unit of gross lettable area.

In the case of potentially extraordinarily high peak demand users, the policy provides for an individually calculated connection fee to be calculated based on actual peak demand.

## **5. WATER SERVICE**

- 5.1. The municipality's demand model reveals that peak water consumption will increase from 12.5MI per day in 2010 to 28.1MI per day in 2030. This equates to  $\pm 46\%$  of the bulk system capacity.
- 5.2. Applying the methodology in paragraph 4, an amount equivalent to 46% of the current expenditure for bulk water infrastructure must be recovered



from connection fees, being an amount of R183 million (per Feasibility Study dated November 2010).

It is recognised that only  $\pm 25\%$  of the increase in demand will be due to construction of new dwellings whilst the balance will be due to upgrade of service levels. This forecast a recovery of  $\pm R46$  million from new developments.

- 5.3. Connection fees on existing dwellings/structures will be applicable to extension of existing structures or for increased use rights.
- 5.4. The following unit connection fees are accordingly determined with effect from the 2011/2012 financial year, for typical, individually metered residential units, to be paid by a developer per unit in a development:

| Capacity                                | Connection Size | Meter Size | Fee (Rand) |
|---|-----------------|------------|------------|
| Intermediate LOS (e.g. yard connection) | 20mm            | 15mm       | R1 950     |
| Low                                     | 20mm            | 15mm       | R4 200     |
| Medium                                  | 25mm            | 20mm       | R8 200     |
| High                                    | 40mm            | 32mm       | R15 750    |
| High                                    | 50mm            | 40mm       | R15 750    |

- 5.5. For typical commercial, industrial and non-individually metered residential developments, a fee of R7 500, per 100m<sup>2</sup> of bulk, or 100m<sup>2</sup> GLA, whichever is most appropriate, is set.
- 5.6. In respect of exiting dwellings, a 30% discount will be applicable if the applicant pays the connection fee upfront.
- 5.7. Notwithstanding the above, if the municipality receives an application for approval of a development which, because of its size or the water intensive nature of the activities to be conducted therein, is likely to achieve a peak demand in excess of the expected levels in the demand model, the municipality is entitled as a condition of approval to require the developer to



pay a bulk contribution calculated on the basis of the expected peak demand for that development over the planning period.

In this regard, the Municipal Manager shall consider any reports commissioned by him, consult with the developer and determine a contribution.

The provisions of section 62, Local Government: Municipal Systems Act 32/2000 shall apply with regard to any such determination.

- 5.8. The Council will annually consider a report from the Municipal Manager on actual recoveries from connection fees against expected fees as reflected in the demand model as well as the calculated impact of any approved developments and adjust the connection fees in accordance with the methodology in 3 above to ensure adequate recovery over the study period or any adjustment thereof from time to time.

## **6. SANITATION SERVICE**

- 6.1. The municipality's demand model predicts an increase in peak flow between 2010 and 2030 from 8 MI per day to 22.9 MI per day. This increase represents 66% of the 2030 capacity and will need capital input of R 137 million. (November 2010 feasibility study)
- 6.2. It is recognised that approximately 40% of the increase in demand will be due to construction of new dwellings and an amount of ±R55 million should be recovered from these developments.
- 6.3. Expected peak sewage flow per residential type is directly proportional to peak water consumption.

Accordingly, a more equitable division of unit contributions is achieved by categorising residential types by reference to the size of the water supply connections to a unit, rather than the standardised size of sewerage connection.



- 6.4. The following unit connection fees are determined for implementation from the 2011/2012 financial year, for typical residential units, individually metered for water and business/commercial developments (to be paid by a developer per unit in a development):

| Capacity | Typical number of toilets | Water connection size | Connection Fee(R) |
|----------|---------------------------|-----------------------|-------------------|
| Low      | 1                         | 20 mm                 | R5 400            |
| Medium   | 2                         | 25 mm                 | R8 840            |
| High     | 3 or more                 | 40 & 50 mm            | R12840            |

- 6.5. For typical commercial, industrial and non-individually metered residential developments, a fee of R9 920 per 100m<sup>2</sup> of bulk, or 100m<sup>2</sup> GLA, whichever is most appropriate, is set.
- 6.6. The provisions of paragraph 5.6 and 5.8 shall mutatis mutandis apply in respect of the sewerage service.
- 6.7. The provisions of paragraph 5.7 shall mutatis mutandis apply in respect of the capital contribution to bulk sewerage infrastructure by a developer in relation to a development referred to therein.

## 7. ELECTRICITY SUPPLY

- 7.1. The municipality's demand model for electricity predicts an increase in demand from 2010 to 2030 from 310 Mwh/d to 645 Mwh/d and this increase represents 52% of the 2030 capacity. (November 2010 feasibility study)
- 7.2. The capital need for this amount is R124.3 million and it is recognised that approximately 70% (R87 million) of this is due to construction of new dwellings whilst the balance is contributing to upgrade of service levels.
- 7.3. The contribution will be based on the capacity utilised which is also determined by the connection size which is the most accurate predictor of expected maximum demand. K



- 7.4. The following connection fees are determined for typical residential units, individually metered, for electricity, for the financial year 2011/2012, to be paid by a developer for each unit in a development:

| Capacity | Size of connection (Amps) | Connection fee (R) |
|----------|---------------------------|--------------------|
| LOS      | 10                        | R4 000             |
| Low      | 20                        | R8 000             |
| Medium   | 40                        | R16 000            |
| High     | 60 (single & 3 phase)     | R24 000            |

- 7.5. For typical commercial, industrial and non-individually metered residential developments a fee of R16 000 per 100 m<sup>2</sup> of bulk or 100 m<sup>2</sup> of GLA, whichever is the most appropriate, is set.
- 7.6. The provisions of paragraph 5.6 and 5.8 shall mutatis mutandis apply in respect of the electricity service.
- 7.7. The provisions of paragraph 5.7 shall mutatis mutandis apply in respect of a development as referred to therein.

## 8. OTHER MATTERS

- 8.1. The Municipal Manager shall be entitled to negotiate a discount to a maximum of 30% on Bulk service contributions payable on developments in a category or area determined by the Council from time to time, to facilitate development.
- 8.2. Bulk service contributions calculated and levied in terms of this Policy will be payable upon any of the following events:
- 8.2.1. Approval of the township by the Municipality in the case of a new development. The Bulk service contributions will be quantified in terms of the services agreement between the Municipality and the relevant Developer(s) and must be paid before the township register can be opened at the deeds office;





- 8.2.2. Approval of a rezoning application in terms of an existing development: The Bulk service contributions will be quantified in the relevant motivation to the Council and must be paid before any building plans are approved;
- 8.2.3. Submission of an application for the amendment of building plans in respect of an individual residential dwelling or another building and where the proposed modification(s), changes or extension as the case may be, will lead to an increase in demand for services: Payment in full of the additional Bulk service contributions is required prior to final approval of the plans.

## **9. CONTRIBUTIONS RING-FENCED**

- 9.1. Contributions received by the municipality pursuant to this policy must be separately identified and recorded in the financial records of the municipality (with in its Capital Replacement Reserve) and only utilised for the purposes of supporting capital projects relating to the upgrade, maintenance or extension of a capital infrastructure of the service in question.

## **10. MUNICIPAL MANAGER IS THE RESPONSIBLE AND ACCOUNTABLE OFFICER**

- 10.1. The Municipal Manager is responsible and accountable for the implementation of this policy and shall report annually to the Council on the applicability of the fees set herein and the extent to which the policy is achieving its objectives.
- 10.2. The Municipal Manager is hereby delegated all the necessary power and authority to fulfil the obligation interms of this policy, with authority to supper delegate to the appropriate level.







# APPENDIX G



# GA-SEGONYANYA LOCAL MUNICIPALITY



## **Asset Management Policy**

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## **1. INTRODUCTION**

This policy for the management of assets has been designed to assist management and officials of the Ga-Segonyana Municipality with the description of management procedures for Property, Plant and Equipment, Investment Property, Agricultural Assets and Intangible Assets. It also should assist with the capacity to differentiate between activities, which are acceptable in terms of general authorization, supervisory responsibilities and limits of authority to the management of assets and functions of the organisation.

This policy will provide certainty with respect to the handling of asset management procedures undertaken within the organization and will ensure that management and employees understand their respective responsibilities and duties.

For the purpose of this policy, assets exclude inventory and monetary assets such as debtors.

This policy replaces all asset management procedures/instructions and memoranda that have been previously issued.

Failure to comply with this policy will result in the institution of disciplinary procedures in terms of the stipulated human resource policies and procedures of the Municipality.

## **2. OBJECTIVE**

The objective of this policy is to ensure that assets of the Municipality are properly managed and accounted for by:

- The accurate recording of essential asset information;
- The accurate recording of asset movements;
- Exercising strict physical controls over all assets;
- Treating the assets correctly in the Municipality's financial statements;
- Providing accurate and meaningful management information;
- Compliance with the Council's accounting policies and Generally Recognised Accounting Practices;
- Adequate insuring of assets;
- Maintenance of Council's assets;
- Ensuring that managers are aware of their responsibilities with regard to the assets; and
- Setting out the standards of management, recording and internal controls so as to safeguard the assets against inappropriate utilisation or loss.

### 3. STATUTORY FRAMEWORK

The statutory framework for this policy is:

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- Local Government: Municipal Structures Act, No 117 of 1998;
- Local Government: Municipal Systems Act, No 32 of 2000;
- Local Government: Municipal Finance Management Act, No. 56 of 2003;
- Regulation No. 31346 of 2008;
- Municipal Supply Chain Management Regulations No. 27636;
- Generally Recognised Accounting Practice.

### 4. ACCOUNTING STANDARDS

This document constitutes a policy statement and shall not take precedence over the standards specified by the Accounting Standards Board. The relevant accounting standards include:

- GRAP 1 – Presentation of Financial Statements;
- GRAP 13 – Leases;
- GRAP 16 – Investment Property;
- GRAP 17 - Property, Plant and Equipment;
- GRAP 100 - Non – current Assets Held for Sale and Discontinued Operations;
- GRAP 101 - Agricultural;
- GRAP 102 – Intangible Assets; and
- IAS 36 - Impairment of Assets

Other relevant accounting standards are:

- GRAP 12 on Inventories
- GRAP 11 on Construction Contracts

### 5. DEFINITIONS

Every effort has been made to use definitions established through legislation, standards of accounting and other guidance on asset management. Should uncertainty arise regarding a specific definition the definition as per the relevant original legislation or standard of accounting shall be referred to.

**“Accounting Officer”** means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and being the head of administration and accounting officer in terms of Section 60 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).



**“Agricultural Activity”** is the management by an entity of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets.

**“Active market”** is a market in which all the following conditions exist:

- The assets traded within the market are homogeneous;
- Willing buyer and seller can normally be found at any time; and
- Prices are available to the public.

**“Agricultural Produce”** is the harvested product of the entity's biological assets.

**“Amortisation”** is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

**“Assets”** are resources controlled by the Municipality as a result of past events and from which future economic benefit or service potential are expected to flow. However for the purpose of this policy exclude inventory and other monetary assets.

**“Asset categories”** are the six main asset categories defined as follows:

- **Infrastructure assets** – are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewage purification and trunk mains, transport terminals and car parks.
- **Community assets** – are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.
- **Heritage assets** – are defined as culturally significant resources. Examples are works of art, historical buildings and statues.
- **Investment properties** – are defined as properties that are acquired for economic and capital gains. Examples are office parks and under-developed land acquired for the purpose of resale in future years.
- **Intangible assets** – are identifiable assets without physical substance.
- **Other assets** – are defined as assets utilized in normal operations. Examples are plant, equipment, motor vehicles and furniture and fittings.

**“Asset's Life-Cycle”** is the cycle of activities that an asset goes through – including planning, design, initial acquisition and/or construction, cycle of operation and maintenance and capital renewal and finally disposal.

**“Asset Manager”** is any official who has been delegated responsibility and accountability for the control, usage, physical and financial management of the Municipality's assets in accordance with the entity's standards, policies, procedures and relevant guidelines.

**“Asset Register”** is a record of information on each asset that supports the effective financial and technical management of the assets, and meets statutory requirements.

**“Biological Asset”** is a living animal or plant.

**“Biological Transformation”** comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes to a biological asset.

**“Carrying amount”** is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

**“Chief Financial Officer”** means an officer of a municipality designated by the municipal manager to be administratively in charge of the budgetary and treasury functions.

**“Class of property, plant and equipment”** means a grouping of assets of a similar nature or function in a municipality’s operations, which is shown as a single item for the purpose of disclosure in the financial statements.

**“Commercial service”** means a service other than a municipal service

- (a) rendered by a private sector party or organ of state to or for a municipality or municipal entity on a commercial basis; and
- (b) which is procured by the municipality or municipal entity through its supply chain management policy.

**“Community Assets”** – are defined as any asset that contributes to the community’s well-being. Examples are parks, libraries and fire stations.

**“Cost”** – is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of Standards of GRAP.

**“Depreciation”** – is the systematic allocation of the depreciable amount of an asset over its useful life.

**“Depreciable Amount”** – is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

**“Depreciated replacement cost”**, in relation to capital assets, means an amount equivalent to the cost to replace the capital assets on the date of transfer adjusted by a deemed depreciated cost at the date of the transfer taking into account the age and condition of the assets.

**“Disposal”**, in relation to capital assets, includes –

- (a) the demolition, dismantling or destruction of the capital assets; or

- (b) any other process applied to capital assets which results in loss of ownership of the capital assets otherwise than by way of transfer of ownership.

**“Disposal management system”** means the system contemplated in regulation 40 of the Municipal Supply Chain Management Regulations, published by General Notice No. 868 of 2005.

**“Enhancements / Rehabilitation”** is an improvement or augmentation of an existing asset beyond its original recognized service potential for example useful life, capacity, quality and functionality.

**“Fair Value”** – is the amount for which assets could be exchanged between knowledgeable, willing parties in an arm's length transaction.

**“GRAP”** is Standards of Generally Recognised Accounting Practice

**“Head of department / senior manager”** – means a manager referred to in section 56 of the Municipal Systems Act.

**“Heritage Assets”** – are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

**“Historical cost”** - means the original purchase price or cost of acquisition of the capital assets at the time the assets were acquired

An **“impairment loss”**– of cash generating assets is the amount by which the carrying amount of assets exceeds its recoverable amount.

An **“impairment loss”**- of non-cash generating assets is the amount by which the carrying amount of assets exceeds its recoverable service amount.

**“Infrastructure assets”**- are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks.

**“Intangible assets”**- are identifiable non-monetary assets without physical substance.

**“Investment Properties”** – are defined as property (land or a building-or part of a building-or both) held (by the owner or by lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production and supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

**“Municipality”** means the Ga-Segonyana Municipality.

**“Other Assets”** – are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

**“Property, Plant and Equipment” (PPE)** – are tangible assets that:

- are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- are expected to be used during more than one period.

**“Realisable value”** means the amount of cash or cash equivalents that could currently be obtained by transferring the capital assets, less the estimated cost of completion and the estimated costs necessary to make the transfer.

**“Recoverable Amount”** – is the amount that the Municipality expects to recover from the future use of assets, including its residual value on disposal.

**“Recoverable service amount”** is the higher of a non-cash-generating asset’s fair value less costs to sell and its future value in use.

**“Residual Value”** – of assets is the estimated amount that an entity would currently obtain from disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and condition expected at the end of its useful life.

**“Right to use, control or manage”** means a right to use, control or manage the capital assets for a period exceeding one calendar month without ceding legal ownership in the assets. In other words, where the granting of such rights do not amount to the transfer or permanent disposal of the assets, for example when a right is acquired through a leasing, letting or hiring out arrangement.

**“Senior Manager”** is a manager referred to Section 57 of the Municipal Systems Act (MSA) being someone reporting directly to the municipal manager.

**“Service provider”**–

- in relation to a municipal service, means a private sector party or organ of state appointed by a municipality in terms of Chapter 8 of the Municipal Systems Act to perform a municipal service in accordance with that Act; or
- in relation to a commercial service, means a private sector party or organ of state appointed in terms of the supply chain management policy of a municipality or municipal entity to render a commercial service to or for the municipality or entity as an independent contractor.

**“Supply chain management policy”** means the supply chain management policy which a municipality or municipal entity is required to have in terms of Chapter 11 of the Act.

**“The Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

**“Transfer”**, in relation to a capital or subsidiary asset, means transfer of ownership in the asset as a result of a sale or other transaction.



***“Useful Life”*** – is either:

- the period of the time over which an asset is expected to be used by the Municipality, or
- the number of production or similar units expected to be obtained from the asset by the Municipality.

## **6. BACKGROUND**

The utilization and management of PPE, investment property, intangible assets and agricultural assets is the prime mechanism by which the Municipality can fulfil its constitutional mandates for:-

- Delivery of sustainable services;
- Social and economic development;
- Promoting safe and healthy environments; and
- Fulfilling the basic needs to the community.

As trustees on behalf of the local community, the Municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future service provision invested in assets.

The policy for the management of assets deals with the Municipal rules required to ensure the enforcement of appropriate stewardship of assets. Stewardship has two components being the:-

- Financial administration by the Chief Financial Officer; and
- Physical administration by the relevant managers.

Statutory provisions are being implemented to protect public property against arbitrary and inappropriate management or disposals by local government.

Accounting standards have been approved by the Accounting Standards Board to ensure the appropriate financial treatment for property, plant and equipment, investment property, intangible assets and agricultural assets. The requirements of these new accounting standards include:-

- The compilation of asset registers covering all assets controlled by the Municipality.
- Accounting treatment for the acquisition, disposal, recording and depreciation / amortisation of assets.
- The standards to which financial records must be maintained to comply with the new accounting standards.

## **7. DELEGATION OF POWERS**

This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials as well as

between the Council and the Executive Mayor and the Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.

In accordance with the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA), the Municipal Manager is the accounting officer of the Municipality and therefore all designated officials are accountable to him/her. The Municipal Manager is therefore accountable for all transactions entered into by his/her designates.

The overall responsibility of asset management lies with the Municipal Manager. However, the day to day handling of assets should be the responsibility of all officials in terms of delegated authority reduced in writing.

## **8. RESPONSIBILITY**

### **8.1 Municipal Manager**

The Municipal Manager is responsible for the management of the assets of the Municipality, including the safeguarding and the maintenance of those assets. He/she must ensure that:-

- The Municipality has and maintains a management, accounting and information system that accounts for the assets of the Municipality.
- The Municipality's assets are valued in accordance with standards of Generally Recognized Accounting Practice (GRAP).
- The Municipality has and maintains a system of internal control of assets, including an asset register.
- Senior managers and their teams comply with this policy.

### **8.2 Chief Financial Officer**

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the Municipality's assets is safeguarded and maintained. He/she may delegate or otherwise assign responsibility for performing these functions but he/she will remain accountable for ensuring that these activities are performed. He/she must ensure that:-

- Appropriate systems of financial management and internal control are established and carried out diligently.
- The financial and other resources of the Municipality assigned to him/her are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented.
- The systems, processes and registers required to substantiate the financial values of the Municipality's assets are maintained to standards sufficient to satisfy the requirements of effective management.
- Financial processes are established and maintained to ensure the Municipality's financial resources are optimally utilized through appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.

- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets.
- Ensure implementation of the approved Asset Management Policy;
- Verify assets in possession of the Council three times a year;
- Receive from the Asset Management Section a detailed "outcome report" on the assets verification exercise;
- Keep a complete and balanced record of all assets in possession of the Council;
- Report in writing all asset losses to the Council;
- Ensure that the asset register of the Council is balanced quarterly.
- The senior managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

### **8.3 Senior Managers**

The Senior Managers must ensure that:-

- Appropriate systems of physical management and control are established and carried out for assets in their area of responsibility.
- The Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful utilization and losses resulting from criminal or negligent conduct are prevented.
- Their management systems and controls can provide an accurate, reliable and up to date account of assets under their control.
- They are able to justify that their plans, budgets, purchasing, maintenance and disposal decisions for assets optimally achieve the Municipality's strategic objectives.

The senior managers may delegate or otherwise assign responsibility for performing these functions but they will remain accountable for ensuring that these activities are performed.

Each senior manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

The responsibility for the physical control of assets rests with the relevant senior manager to whom the responsibility was delegated to in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003.

Each senior manager shall ensure that assets entrusted to him / her are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, No 56 of 2003, is adhered to.

No amendments, deletions or additions to the asset register shall be made other than by the Asset Manager or by an official acting as the Asset Manager and must be authorized by the Chief Financial Officer.

Upon the resignation / retirement of an employee, the applicable senior manager must inform the Chief Financial Officer and Administration Department in writing that the asset items entrusted to that employee to

execute his / her duties are in good order and returned. When necessary the applicable senior manager must inform the Administration Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant senior manager.

## **9. ASSET REGISTER**

The Municipal Manager shall ensure that the municipality maintains a fixed asset system which shall be operated in conjunction with its computerized fixed asset register.

The identification system shall be determined by the municipal manager, acting in consultation with the Chief Financial Officer and other Senior Manager, and shall comply with any legal prescriptions, as well as any recommendations of the Auditor-General as indicated in the municipality's audit report(s), and shall be decided upon within the context of the municipality's budgetary and human resources.

The asset register shall be maintained in the format determined by the Chief Financial Officer, which format shall comply with the requirements of generally recognised accounting practice (GRAP) and any other accounting requirements which may be prescribed.

The asset register shall reflect the following information:

- a brief but meaningful description of each asset
- the date on which the asset was acquired or brought into use
- the location of the asset
- the responsible senior manager and department(s) or vote(s) within which the assets will be used
- the title deed number, in the case of property
- the stand number, in the case of property
- where applicable, the identification number
- the measurement based used (Cost or Fair Value)
- the original useful life
- the revised useful life
- the residual value
- the original cost, or the revalued amount or the fair value if no costs are available
- the (last) revaluation date of the assets subject to revaluation
- the revalued value of such assets
- who did the (last) revaluation
- accumulated depreciation to date
- the depreciation charge for the current financial year
- the carrying value of the asset
- the method and rate of depreciation
- impairment losses incurred during the financial year (and the reversal of such losses, where applicable)
- method of calculating recoverable amount (when impairment test are required in terms of GRAP)
- increases or the decreases resulting from revaluations (if applicable)



- the source of financing
- condition of the asset
- the current insurance arrangements
- whether the asset is required to perform basic municipal services
- whether the asset has been used to secure any debt, and – if so – the nature and duration of such
- security arrangements
- the date on which the asset is disposed of
- the disposal price
- the date on which the asset is retired from use, if not disposed of.

All heads of department under whose control any asset falls shall promptly provide the Chief Financial Officer in writing with any information required to compile the asset register, and shall promptly advise the Chief Financial Officer in writing of any material change which may occur in respect of such information.

An asset shall be capitalised, that is, recorded in the asset register, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately capitalised as a fixed asset. An asset shall remain in the asset register for as long as it is in physical existence.

The Asset Manager must ensure that reconciliations are performed on a monthly basis between the general ledger values and the asset values and to be submitted to the Chief Financial Officer.

The Chief Financial Officer must check and authorize the reconciliations as correct.

Depreciation methods and rates used must be approved by the Chief Financial Officer and included in the approved accounting policy.

The Asset Manager should allocate depreciation rates and methods to each asset class, and ensure that depreciation calculations are correctly applied and posted in the general ledger.

## **10. CLASSIFICATION OF ASSETS**

In compliance with the requirements of the National Treasury, the Chief Financial Officer shall ensure that all assets are classified under the following headings in the Fixed Assets Register, and Heads of Departments shall in writing provide the Chief Financial Officer with such information or assistance as is required to compile a proper classification:

### **10.1 Property, Plant and Equipment (PPE)**

- Land (not held as investment assets).
- Infrastructure assets (assets which are part of a network of similar assets).

- Community assets (assets contributing to the general well-being of the community).
- Heritage assets (culturally significant assets).
- Other assets (ordinary operational assets).
- Housing (rental stock or housing stock not held for capital gain).

Save for land and buildings other assets shall be classified under the following headings:

- Computer equipment;
- Office equipment;
- Furniture and fittings;
- Radio Equipment;
- Plant and machinery;
- Motor Vehicles; and
- Emergency Equipment.

## **10.2 Investment Property**

Investment assets (resources held for capital or operational gain and which are not used by the Municipality). Properties occupied by the Municipality, Councilors or officials are classified as owner-occupied property and are therefore not classed as investment property

Investment properties will be treated in accordance with GRAP 16 and will separately be classified in the Statement of Financial Position. Investment properties will not be depreciated but will be revalued on quadrennial basis by a professional valuer in line with the MPRA valuation cycle.

Management assesses the investment property on an annual basis to detect material changes from the last reporting date.

Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

An expert valuer shall be engaged by the municipality to undertake such valuations.

If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – where after it shall be reclassified as an investment asset.

## **10.3 Intangible Assets**

Intangible assets are identifiable non-monetary assets without physical substance.

Intangible assets will be treated in accordance with GRAP 102 and will separately be classified in the Statement of Financial Position. Intangible assets shall be valued at cost less any accumulated amortization and any impairment losses.

## **10.4 Agricultural Assets**

Agricultural Assets will be treated in accordance with GRAP 101 and will separately be classified in the Statement of Financial Position,

## **10.5 Assets Treated as Inventory**

Any land or buildings owned or acquired by the Municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the Municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the Municipality's statement of position.

Such inventories shall, however, be recorded in the asset register in the same manner as other fixed assets, but a separate section of the asset register shall be maintained for this purpose.

The Chief Financial Officer shall use the classifications indicated in the Appendix A on estimated lives of assets, as a guideline and in the case of an item of assets not appearing in the Appendix A shall use the classification applicable to the asset most closely comparable in the Appendix A.

# **11. CAPITALISATION CRITERIA**

## **11.1 PPE and Intangible Assets**

All assets may only be acquired in terms of Council's Supply Chain Management Policy and in terms of the budgetary provisions. The responsibility for the purchase of assets would be delegated in terms of Council's Delegation Framework and Supply Chain Management Policy. Depending on the cost of the asset to be purchased the following procedure for purchasing an asset must be followed:

- Senior managers shall at all times ensures that there are enough funds in their departmental budgets before requesting approval to any requisition to purchase an asset;
- Senior managers shall ensure that the correct vote and expenditure line item are used and recorded on the requisition requesting approval to purchase an asset;
- Tenders or quotations as required in terms of Council's Supply Chain Management policy should be obtained and where required submitted to Council's tender committee for approval;
- The tender committee resolution of the approved tender or recommended quotation should be attached to the requisition signed by the relevant head of department;

- The order would then be generated by the Supply Chain Management Unit;
- Once delivered the asset must be labeled / bar-coded by the Supply Chain Management Unit before such asset is put into use;
- The senior manager should endorse receipt of the asset on the invoice and forwarded it for payment to the Supply Chain Management Unit; and
- The Revenue and Expenditure Unit would then generate payment.

The completion of any immovable asset by or under control of every head of department should promptly be declared to the Chief Financial Officer in writing stating the full details required for recording in the assets register.

All PPE and intangible assets shall be carried in the asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation or amortisation in the case of intangible assets.

The original cost of an item of PPE or intangible assets may include:

- Cost price;
- Financing costs (MFMA section 46(4));
- Import tax;
- Non-claimable purchase tax; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When payment for an item of PPE or intangible assets is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When an item of PPE is acquired to be exchanged or partly exchanged for a dissimilar item of PPE or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the Council with due regard to the definition ascribed to fair value in paragraph 2 hereof.

The only exceptions to this rule shall be revalued items of PPE (see part 7.9 below) and heritage assets in respect of which no depreciation is recorded in the asset register.

Subsequent expenditure relating to an asset that has already been capitalized, should only be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing asset, will flow to the Municipality.

## **11.2 Investment Property**



An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of purchased investment property includes all directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs).

When payment for an investment property is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When investment property is acquired to be exchanged or partly exchanged for a dissimilar investment property or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the Council with due regard to the definition ascribed to fair value in paragraph 2 hereof.

After initial recognition investment property will be measured at fair value. A gain or loss arising from a change in fair value shall be recognized as a profit or loss in the Statement of Financial Performance in the period in which it arises. The fair value of investment property shall reflect market conditions at reporting date.

In terms of GRAP 16 transfers to and from investment property shall be made when there is a change in use:

- (a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) Commencement of development with a view to sale, for a transfer from investment property to inventories;
- (c) End of owner-occupation, for a transfer from owner-occupied property to investment property; or
- (d) Commencement of an operating lease to another party, for a transfer from inventories to investment property.

When an investment property is transferred to inventory or owner-occupied property, the property's deemed cost is the fair value of the property at the date of the change in use.

For a transfer from inventories to investment property, that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in the Statement of Financial Performance.

### **11.3 Reinstatement, Maintenance and Other Expenses**

Only expenses incurred in the enhancement of an asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of an asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of an asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses, which are reasonably ancillary to the bringing into operation of an asset, may be capitalised as part of such asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, instalation, assembly and communication costs.

#### **11.4 Intangible Assets**

Assets that meet the criteria of GRAP 102 (Intangible Assets) shall be recognized as Intangible Assets at cost.

#### **11.5 Heritage Assets**

If no original costs or fair values are available in the case of one or more or all heritage assets, the Chief Financial Officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the asset register without an indication of the costs or fair value concerned.

For Statement of Financial Position purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

#### **11.6 Donated Assets**

Where an asset is donated to the Municipality, or an asset is acquired by means of an exchange of assets between the Municipality and one or more other parties, the asset concerned shall be recorded in the asset register at its fair value, as determined by the Chief Financial Officer.

## **12. DEPRECIATION**

### **12.1 Depreciation of PPE**

All PPE, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which PPE is used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on an annual basis against the appropriate line item in the department or vote in which the item of PPE is used or consumed.

However, depreciation shall initially be calculated from the day following the day in which an item of PPE is acquired or – in the case of construction works and plant and machinery – the day following the day in which the item is

brought into use, until the end of the year concerned. Thereafter, depreciation charges shall be calculated monthly.

Each Head of Department, acting in consultation with the Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable PPE controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

## **12.2 Rate of Depreciation and Amortisation**

The Chief Financial Officer shall assign a useful operating life to each depreciable item of PPE recorded on the Municipality's asset register. In determining such a useful life the Chief Financial Officer shall use to the useful lives set out in the Appendix A to this document as a guideline.

In the case of an item of PPE which is not listed in this Appendix A, the Chief Financial Officer shall determine a useful operating life, if necessary in consultation with the Head of Department who shall control or use the item in question, and shall be guided in determining such useful life by the likely pattern in which the item's economic benefits or service potential will be consumed.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

## **12.3 Method of Depreciation**

The Chief Financial Officer shall allocate the depreciable amount of all depreciable PPE and intangible on a systematic basis over its useful life.

The residual value and useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimate in accordance with GRAP 3.

# **13. AMENDMENT OF ASSET LIVES AND DIMINUTION IN THE VALUE OF PPE**

Only the Chief Financial Officer may amend the useful operating life assigned to any PPE, and when any material amendment occurs the Chief Financial Officer shall inform the Council of such amendment.

The Chief Financial Officer shall amend the useful operating life assigned to any item of PPE if it becomes known that such item has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially

affects the pattern in which the item's economic benefits or service potential will be consumed.

If the value of an item of PPE or intangible assets has been diminished to such an extent that it has no or a negligible further useful operating life or value such item shall be fully depreciated or eradicated in the financial year in which such diminution in value occurs.

Similarly, if an item of PPE has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the item has physically ceased to exist, it shall be written off in the asset register.

In all of the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the item of PPE or intangible asset in question.

If any of the foregoing events arises in the case of a normally non-depreciable item of PPE, and such item has been capitalised at a value other than a purely nominal value, such item shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable item of PPE, and the department or vote controlling or using the item in question shall bear the full depreciation expenses concerned.

Additional depreciation not budgeted for as a result of unforeseeable or unavoidable circumstances must be provided for in an adjustments budget and, if such circumstances arises close to the end of the financial year and there will not be time for Council to consider the adjustments before the end of the financial year, may in advance be approved by the Mayor in terms of Section 29 of the MFMA, provided that any other provisions of the MFMA be complied with.

## **14. IMPAIRMENT OF ASSETS**

The accounting treatment relating to impairment losses is outlined in IAS37.

The carrying amount of an item or a group of identical items of PPE and intangible assets should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.

When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to the recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification works is used for the same purpose. In such circumstances, the carrying amount of each of the related



assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of the recoverable amount.

The following may be indicators that an asset is impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Departments will identify and inform the Chief Financial Officer of assets that:
  - Are in a state of damage at year end.
  - Are technologically obsolete at year end.
  - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
  - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts.
- The recoverable amounts of these assets need to be determined by calculating the net selling price per asset as defined above.
- The impairment loss per asset is the difference between the net selling price and the carrying value of the asset.
- The impairment loss needs to be accounted for by identifying the relevant funding source.

## **15. REVALUATION OF ITEMS OF PPE**

All land and buildings recorded in the municipality's fixed asset register shall be revalued every four years. Under such circumstances a sworn valuer will be appointed to perform a valuation of all land and buildings.

Land and buildings are stated at revaluated amounts, being the fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses on the buildings.

The Chief Financial Officer shall adjust the carrying value of the land and buildings concerned to reflect in each instance the value of the items as recorded in the valuation roll, provided the Chief Financial Officer is satisfied that such value reflects the fair value of the land and buildings concerned.

The Chief Financial Officer shall also, where applicable, create a revaluation reserve for each such item equal to the difference between the value as recorded in the valuation roll and the carrying value of the item before the adjustment in question.

The buildings concerned shall thereafter be depreciated on the basis of its revalued amount, over its remaining useful operating life, and such increased depreciation expenses shall be budgeted for and debited against the appropriate line item in the department or vote controlling or using the buildings in question.

The Chief Financial Officer shall ensure that an amount equal to the difference between the new (enhanced) annual depreciation expense and the depreciation expenses determined in respect of such buildings before the revaluation in question is transferred each year from the revaluation reserve to the Municipality's appropriation account. An adjustment of the aggregate transfer shall be made at the end of each financial year, if necessary.

If the amount recorded by the valuer is less than the carrying value of the item of land or buildings recorded in the asset register, the Chief Financial Officer shall adjust the carrying value of such item by increasing the accumulated depreciation of the item in question by an amount sufficient to adjust the carrying value to the value as recorded by the valuer. Such additional depreciation expenses shall form a charge, in the first instance, against the balance in any revaluation reserve previously created for such item, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the item of land or building in question.

Revalued land and buildings shall be carried in the asset register, and recorded in the annual financial statements, at their revalued amount, less accumulated depreciation (in the case of buildings).

## **16. ACQUISITION OF ASSETS**

### **16.1 Pre-acquisition Planning**

Before a capital project is included in the budget for approval, the Chief Financial Officer must demonstrate that he/she has considered the following:

- The projected cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including the tax and tariff implications;
- The financial sustainability of the project over its life including revenue generation and subsidisation requirements;
- The physical and financial stewardship of that asset through all stages of its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
- The inclusion of the capital project in the Integrated Development Plan and future budgets; and

- Alternatives to the capital purchase.

The heads of department are accountable to ensure that the Chief Financial Officer receives all reasonable assistance, guidance and explanation to enable him to achieve his planning requirements.

## **16.2 Approval to Acquire Assets**

Money can only be spent on a project if:

- The money has been appropriated in an approved capital budget;
- The project, including the total cost has been approved by the Council;
- The Chief Financial Officer confirms that funding is available for that specific project; and
- Any contract that will impose financial obligations beyond two years after the budget year is appropriately disclosed.
- The Supply Chain Management Policy is adhered to.

Authorization for the acquisition of assets should be as per this Municipality's delegation of authority and payment for assets shall be in accordance with financial policies and regulations of this Municipality.

## **16.3 Funding of Capital Projects**

Within the Municipality's on-going financial, legislative or administrative capacity, the Chief Financial Officer must establish and maintain the funding strategies that optimise the Municipality's ability to achieve its strategic objectives as stated in the Integrated Development Plan. The acquisition of assets may not be funded over a period longer than the useful life of that asset.

# **17. PURCHASE OR HIRE OF IMMOVABLE PROPERTY**

The Municipality may acquire by purchase, or by hire, immovable property within- or outside the municipal boundary provided it complies with the requirements of the MFMA and the Supply Chain Management policy and subject to the following:

- The cost of the purchase or hire had been budgeted for; and
- The intention to buy or hire the immovable property had been advertised for public comment.
- After consideration of any public comments/objections the Council will:
  - In the case of the following paragraph complies with the requirements of that paragraph; and
  - In the case of all other immovable property, finally resolve to continue with the purchase or hire and apply the supply chain management processes
- The Council will not continue with the purchase or hire of any immovable property where:

- The price is in excess of the market value thereof as assessed by an appraiser; or
- The rental which, when calculated per annum in the case of:
  - Immovable property hired for agricultural purposes, exceeds six percent; and
  - Immovable property hired for any other purpose, exceed twelve percent of the market value of the property, as assessed by an appraiser.

The Council may accept a gift or conveyance of immovable property either for the Municipality or in trust for charitable or other public purposes not connected with public worship, and hold the same in such trust or for such purpose as may be declared by such donors and may administer, utilize and improve such property.

The trustees of any immovable property held in trust for any township village of settlement which has become a municipality or part of a municipality may transfer such property to the Council, subject to any special trusts in their deeds of title and upon conditions not at variance therewith.

## **18. GUIDELINE PROCEDURES FOR ADDITIONS TO ASSETS**

The Asset Manager must ensure all additions to assets are in accordance with an approved capital budget. Additions must be updated on a monthly basis in the Municipality's Asset register. All additions must be approved by the Chief Financial Officer.

## **19. FUNDING OF ASSETS AND RESERVES**

Within the municipality's on-going financial, legislative or administrative capacity, the Chief Financial Officer will establish and maintain the funding strategies that optimise the municipality's ability to achieve its strategic objectives as stated in the integrated development plan. The acquisition of assets will not be funded over a period longer than the useful life of that asset.

Type of funding may comprise of the following:

### **19.1 EXTERNAL LOANS**

- Long term; and
- Short term.

### **19.2 Government Grants/ Public Contributions and Donations**

- National Government;



- Provincial Government; and
- Other stakeholders.

### **19.3 REVENUE**

Revenue arising from the following transactions and events:

- The sale of goods;
- The rendering of services; and
- Exercising of legal powers and duties.
  - a. The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation reserve is realized as revaluated buildings are depreciated, through a transfer from the Revaluation Reserve to the accumulated surplus/(deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on revaluated amounts, are charged to the Statement of Financial Performance.
- The use by others of municipal assets thereby yielding interest, royalties and dividends.

### **19.4 Capital Replacement Reserve**

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR in terms of a Council Resolution for approval thereof as part of the budget process. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized. The amount transferred to the CRR is based on the municipality's need to finance capital projects included in the Integrated Development Plan.

## **20. ALIENATION OF ASSETS**

In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any item of PPE shall be fair, equitable, transparent, competitive and consistent with the Municipality's supply chain management policy and the Municipal Asset Transfer Regulations

Every head of department shall report in writing to the Chief Financial Officer on 30 April of each financial year on all assets controlled or used by the department concerned which such head of department wishes to alienate by public auction or public tender.

The Chief Financial Officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the Council or the Municipal Manager of the Municipality, as the case may be, recommending the process of alienation to be adopted.

The Council shall delegate to the Municipal Manager the authority to approve the alienation of any moveable asset with a carrying value less than R50 000 (filthy thousand rand). The Council shall ensure that the alienation of any asset with a carrying value equal to or in excess of R50 000 (fifty thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004..

In terms of Section 14 of the Municipal Finance Management Act, 2004 the Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of assets needed to provide the minimum level of basic municipal services.

The Municipality may transfer ownership or otherwise dispose of assets other than one contemplated above, but only after the Council, in a meeting open to the public:-

- has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
- has considered the fair market value of the item and the economic and community value to be received in exchange for the asset.

The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be subsequently reversed by the Municipality after that asset has been sold, transferred or otherwise disposed of.

Once the assets are alienated, the Chief Financial Officer shall treat the disposal of the items in terms of GRAP and amend the relevant records of the asset register. If the proceeds of the alienation are less than the carrying value recorded in the asset register, such difference shall be recognised as a loss in the Statement of Financial Performance of the department or vote concerned.

If the proceeds of the alienation, on the other hand, are more than the carrying value of the asset concerned, the difference shall be recognised as a gain in the Statement of Financial Performance of the department or vote concerned.

Transfer of assets to other municipalities, municipal entities (whether or not under the Municipality's sole or partial control) or other organs of state shall take place in accordance with the Municipal Asset Transfer Regulations.

## **21. GUIDELINE PROCEDURES FOR THE DISPOSAL OF ASSETS**

The Senior Manager must submit a motivation for the disposal of an asset under his/her control to the Chief Financial Officer.

The Chief Financial Officer must authorize, by signature the motivation and submit the motivation to the Accounting Officer for his/her approval.

Before computer equipment is disposed the Chief Financial Officer must consult the IT section.

All combined motivations must be submitted to the Asset Manager to update the asset register of the Municipality and the book of accounts regarding the sale.

The following information should be updated in the asset register:

- Reason for disposal;
- Information relating to the buyer;
- Individual requesting disposal;
- Cost, book value and proposed selling price of the asset;
- Date of sale;
- Method of payment;
- Receipt number; and
- The relevant asset information

## **22. OTHER WRITE-OFFS OF PPE**

An item of PPE, even though fully depreciated, shall be written off when it can no longer be used, in consultation with the Head of Department controlling or using the item concerned.

Every Head of Department shall report to the Chief Financial Officer on 31 October and 30 April of each financial year on any item of PPE which such Head of Department wishes to have written off, stating in full the reason for such recommendation.

The Chief Financial Officer shall consolidate all such reports, and shall promptly notify the Council on the PPE to be written off.

The only reasons for writing off PPE, other than the alienation of such item of PPE, shall be the loss, theft, and destruction or material impairment of the PPE in question.

If an item of PPE must be written off as a result of an occurrence out of the control of the Municipality, such as malicious damage, theft or destruction, the municipal manager must determine whether a third party or an employee was involved in the loss and take all reasonable steps to recover such loss, including reporting the incident to the South African Police Services and the Auditor General, the insurance as well as institute disciplinary steps against any employee who might have been involved in such incident.

In every instance where a not fully depreciated item of PPE is written off, the Chief Financial Officer shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the item concerned.

## 23. MANAGEMENT AND OPERATION OF ASSETS

### 23.1 Accountability to manage assets

Each Senior Manager is accountable to ensure that Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. This will include:

- Developing appropriate management systems, procedures, processes and controls for managing assets;
- Providing accurate, reliable and up to date account of assets under their control; and
- The development and motivation of relevant strategic asset management plans and operational budgets that optimally achieve the Municipality's strategic objectives.

### 23.2 Contents of a strategic management plan

Senior Managers need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost. To achieve this, the Senior Manager will need to develop strategic asset management plans that cover:-

- Alignment with the Integrated Development Plan;
- Operational guidelines;
- Performance monitoring;
- Maintenance programs;
- Renewal, refurbishment and replacement plans;
- Disposal and Rehabilitation plans;
- Operational, financial and capital support requirements, and
- Risk mitigation plans including insurance strategies

The operational budgets are the short to medium term plan for implementing this strategic asset management plan.

#### **General Requirements**

Items purchased, with an expected life span of more than one year, will be reported by the department doing the purchasing to the Asset Control Section to ensure recording in the asset register. In order to record items the Asset Control Section must be notified by the department doing the purchasing **within 14 days** of any of the following possible movements:

- Purchases;
- Donations;
- Additions/Improvements;
- Departmentally manufactured items;
- Auctions;
- Loss or damage;
- Transfers;
- Resignations; and
- Land Sales.



### 23.3 Reporting of Emerging Issues

Each Functional Manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

### 23.4 Verification of Assets

Stock taking will ensure that all new assets are bar-coded and created on the system. Every employee will be notified within 10 days in advance of the stock taking process and time. Stock taking will ensure that all the new assets are bar-coded and created on system timely and accurately. It will be the responsibility of the Asset Control Section to organise and coordinate the stock taking process. Stock taking will take place once a year. After the physical stock taking the following reports will be generated for the Chief Financial Officer:

- **"Assets not yet Verified"**: Assets which are created on the asset system, but not found during stock take;
- **"Assets missing from Asset System"**: Assets which are scanned during stock take, but not created on the asset system; and
- **"Assets where locations differ"**: Assets found in a different office than in which it was registered on the asset system.

Duplicate inventory lists will be produced and handed to every employee assigned to an office. The inventory lists will be verified by that specific employee and signed. One inventory list will be handed to the Asset Control Section and the other one will be attached to the back of the employees' office door. If there are any inaccuracies on the list it will immediately be rectified.

### 23.5 Movement of Assets

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer, in the format determined by the Chief Financial Officer, all transfers from its original location of assets (including minor assets items) within 5 working days after transfer of such item.

### 23.6 Purchase of New Asset

All new assets will receive a bar code number and description before being captured to the Asset System. All documentation regarding the purchase of the asset must be received by the Asset Control Section:

- cheque number,
- copy of order,
- invoice and
- other detail.

A copy of the documentation received will then be filed suitably.

## **24. MAINTENANCE**

### **24.1 Maintenance Plans**

Every Head of Department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the Council for approval.

If so directed by the Municipal Manager, the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

The Head of Department controlling or using the infrastructure asset in question, shall annually report to the Council, not later than in July or the earliest Council meeting thereafter, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the item concerned.

### **24.2 Deferred Maintenance**

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset, the Chief Financial Officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the annual financial statements. Such note shall also indicate any plans which the Council has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the Chief Financial Officer shall re-determine the useful operating life of the fixed asset in question, if necessary in consultation with the Head of Department controlling or using such item, and shall recalculate the increased annual depreciation expenses accordingly.

### **24.3 General Maintenance of Assets**

Every Head of Department shall be directly responsible for ensuring that all assets are properly maintained and in a manner which will ensure that such item attain their useful operating lives.

## **25. REPLACEMENT STRATEGY**

The Municipal Manager, in consultation with the Chief Financial Officer and other Heads of Departments, shall formulate norms and standards for the replacement of all normal operational assets. Such norms and standards shall be incorporated in a formal strategy, which shall be submitted to the Council for approval. This strategy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items.

Such strategy shall also provide for the replacement of assets which are required for service delivery but which have become uneconomical to maintain.

## **26. TRANSFER OF ASSETS**

When assets are transferred to other Government Departments or municipalities, a document with specific authorization should be tied to the asset to ensure the validity of the transfer.

The document should also include:

- Asset description;
- Cost of the asset;
- Date of acquisition;
- Unique asset number;
- Effective date of transfer;
- Quantity; and
- Authorization by both transferor and transferee.

The asset manager must then effect the transactions in the book of accounts of the Municipality on the day the asset is transferred to the transferee.

## **27. PHYSICAL SECURITY OF ASSETS**

Every Senior Manager shall be directly responsible for the physical safekeeping of any asset controlled or used by their department.

In exercising this responsibility, every Senior Manager shall adhere to directives issued by the Chief Financial Officer with regard to the control and safekeeping of the Municipality's assets.

Every Senior Manager shall ensure that the asset identification system approved for the municipality is scrupulously applied in respect of all fixed assets controlled or used by the department in question.

All assets should be kept in a secure location, maintained regularly, insured against theft or destruction, utilized economically and efficiently.

When it is suspected that an employee is abusing assets, this fact should be reported to the Chief Financial Officer within 48 hours. Such an employee should be subject to the disciplinary procedures as described in terms of the Standard Conditions of Service.

All items of PPE lost, stolen or damaged must be reported to the Chief Financial Officer within 48 hours after discovery for further investigation and reporting required by the Municipal Finance Management Act No. 56 of 2003.

At the resignation of an employee the applicable Senior Manager or his/her duly delegated representative must complete the relevant asset form and forward it to the Human Resources Department. This form is a statement that the asset items entrusted to the employee to execute his/her daily duties are in good order and handed in where necessary.

## **28. INSURANCE OF ASSETS**

The Accounting Officer must ensure that all movable assets are insured at least against fire and theft, and municipal buildings and infrastructure are insured at least against fire and allied perils.

The Accounting Officer shall recommend, after consultation with the Chief Financial Officer, the basis of insurance cover to be applied: either the carrying value or the replacement value of the assets. Such a recommendation shall take due cognizance of the budgetary resources of the Municipality.

Any theft, loss or damage to an asset should immediately be reported to Council's insurance brokers by the relevant head of department under whose responsibility the asset falls. Each such case must be reported for investigation to the Health and Safety Committee and the outcome be reported to the Municipal Manager to institute disciplinary steps and / or recovery. A copy of the insurance claim submitted should be forwarded to the Chief Financial Officer. All insurance claims must be recorded in an insurance register and all outstanding insurance claims reported on a monthly basis to the Chief Financial Officer. It is the responsibility of the relevant head of department to ensure that all documents / information for the completion of the claim is forwarded to Council's insurance brokers and that copies thereof is forwarded to the Chief Financial Officer. The head of department should in writing request the replacement of the asset which can only be authorized, if sufficient provision for the replacement of the asset is on the capital budget, by the Municipal Manager after consultation with the Chief Financial Officer. If sufficient provision is not on the capital budget the asset can only be replaced if provision for the replacement is made on an Adjustments budget. In the case where an asset must be replaced as an emergency measure, the Mayor may authorise such expenditure, subject to compliance with Section 29 of the MFMA.

Third-party (insurance) pay-outs must be treated as revenue when the amount is certain and may not be offset against the cost of replacing the item. The carrying value of items lost, stolen or damaged beyond repair must be treated as impairment against the relevant department or vote. The full cost of the replacement item must then be capitalised.

If the Municipality operates a self-insurance reserve, the Chief Financial Officer shall annually determine the premiums payable by the departments or votes after having received a list of the assets and insurable values of all relevant assets from the heads of departments concerned.

The municipal manager shall recommend to the Council of the Municipality, after consulting with the Chief Financial Officer, the basis of the insurance to

be applied to each type of asset: either the carrying value or the replacement value of the assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the Municipality.

The Chief Financial Officer shall annually submit a report to the Council of the Municipality on any reinsurance cover which it is deemed necessary to procure for the Municipality's self-insurance reserve.

## **29. SHORT TITLE**

This policy shall be called the Asset Management Policy of the **Ga-Segonyana Municipality**.



## APPENDIX A

### SCHEDULE OF EXPECTED USEFUL LIVES OF ASSETS

|  | <u>ASSET<br/>LIFE</u> |                                      | <u>ASSET<br/>LIFE</u> |
|--|-----------------------|--------------------------------------|-----------------------|
| <b>INFRASTRUCTRE ASSETS</b>            |                       |                                      |                       |
| <b>ELECTRICITY:</b>                    |                       |                                      |                       |
| Power stations                         | 30                    | <b>GAS:</b>                          |                       |
| Cooling towers                         | 30                    | Meters                               | 20                    |
| Transformer kiosks                     | 30                    | Main supply                          | 20                    |
| Meters                                 | 10-20                 | Storage tanks                        | 20                    |
|  |                       | Supply and reticulation networks     | 20                    |
| Load control equipment                 | 20                    |                                      |                       |
| Switchgear                             | 20                    | <b>SEWERAGE:</b>                     |                       |
| Supply and reticulation networks       | 20-60                 | Sewer mains                          | 20                    |
| Main supply                            | 20                    | Outflow sewers                       | 5-50                  |
|  |                       | Sewerage purification works          | 15-60                 |
| <b>ROADS:</b>                          |                       | Sewerage pumps                       | 15-60                 |
| Motorways and road structures          | 10-50                 | Sludge machines                      | 15                    |
| Other roads                            | 10                    |                                      |                       |
| Traffic islands                        | 10                    | <b>PEDESTRAIN MALLS:</b>             |                       |
| Traffic lights                         | 15-20                 | Footways                             | 20                    |
| Street lights                          | 10-25                 | Kerbing                              | 20-30                 |
| Bridges                                | 30-80                 | Paving                               | 20-30                 |
| Stormwater drains                      | 20-60                 |                                      |                       |
| Bridges, subways, kerbing and culverts | 30-50                 | <b>AIRPORTS:</b>                     | 20-60                 |
| Car parks                              | 20                    | Taxiways                             | 20                    |
| Bus terminals                          | 20                    | Runways                              | 20                    |
| Parking bays                           | 10-15                 | Aprons                               | 20                    |
|  |                       | Airport and radio beacons            | 20                    |
| <b>WATER</b>                           |                       | <b>SECURITY</b>                      |                       |
| Meters                                 | 15                    | Fencing                              | 3                     |
| Mains                                  | 20                    | Security systems                     | 5                     |
| Rights                                 | 20                    | Access control systems               | 5                     |
| Supply and reticulation networks       | 20-60                 |                                      |                       |
| Boreholes                              | 15-60                 |                                      |                       |
| Reservoirs and storage tanks           | 15-50                 |                                      |                       |
| <b>COMMUNITY ASSETS</b>                |                       | <b>COMMUNITY ASSETS</b>              |                       |
| <b>RECREATIONAL FACILITIES</b>         |                       | <b>BUILDINGS</b>                     |                       |
| Bowling greens                         | 20                    | Ambulance stations                   | 100                   |
| Tennis courts                          | 20                    | Aquariums                            | 100                   |
| Swimming pools                         | 20-30                 | Beach developments                   | 100                   |
| Golf courses                           | 20                    | Care centres                         | 100                   |
| Jukskei pitches                        | 20                    | Cemeteries                           | 100                   |
| Outdoor sport facilities               | 20-30                 | Civic theatres and community centres | 100                   |
| Organ                                  | 20                    | Clinics and hospitals                | 100                   |
| Lakes and dams                         | 20                    | Game reserves and rest camps         | 100                   |
| Fountains                              | 20                    | Stadiums and indoor sports           | 100                   |
| Flood lights                           | 20                    | Museums and galleries                | 100                   |

|                               |     |
|-------------------------------|-----|
| Parks and public conveniences | 100 |
| Recreational centres and zoo  | 100 |

## SCHEDULE OF EXPECTED USEFUL LIVES OF ASSETS

### OTHER ASSETS

#### BUILDINGS

|                               |        |
|-------------------------------|--------|
| Abattoirs                     | 100    |
| Asphalt plant                 | 100    |
| Cable stations                | 100    |
| Caravan Parks                 | 100    |
| Bioscope                      | 100    |
| Compacting stations           | 100    |
| Hostels for public / tourists | 100    |
| Hostels for employees         | 100    |
| Housing schemes               | 100    |
| Kilns                         | 100    |
| Laboratories                  | 100    |
| Perimeter protection          | 20     |
| Storage containers            | 20-30  |
| Markets                       | 100    |
| Nurseries                     | 100    |
| Office buildings              | 60-100 |
| Old age homes                 | 100    |
| Quarries                      | 100    |
| Tip sites                     | 100    |
| Training centres              | 100    |
| Transport facilities          | 100    |
| Workshops and depots          | 100    |

#### OFFICE EQUIPMENT

|                   |     |
|-------------------|-----|
| Computer hardware | 3-5 |
| Computer software | 3-5 |
| Office machines   | 3-5 |
| Air conditioners  | 5-7 |

#### FURNITURE AND FITTINGS

|                        |      |
|------------------------|------|
| Chairs                 | 3-15 |
| Tables and desks       | 3-15 |
| Cabinets and cupboards | 3-15 |
| Sundry                 | 3-15 |

#### BINS AND CONTAINERS

|                        |       |
|------------------------|-------|
| Household refuse bins  | 5     |
| Bulk refuse containers | 10-20 |

### OTHER ASSETS

#### EMERGENCY EQUIPMENT

|                               |      |
|-------------------------------|------|
| Other fire fighting equipment | 15   |
| Ambulances                    | 5-10 |
| Fire hoses                    | 5    |
| Emergency lights              | 5    |

#### MOTOR VEHICLES

|                                    |     |
|------------------------------------|-----|
| Fire engines                       | 20  |
| Buses                              | 15  |
| Motor vehicles                     | 5-7 |
| Motorcycles                        | 3   |
| Trucks and light delivery vehicles | 5-7 |

#### AIRCRAFT

15

#### WATERCRAFT

15

#### PLANT AND EQUIPMENT

|                             |       |
|-----------------------------|-------|
| Graders                     | 10-15 |
| Tractors                    | 10-15 |
| Mechanical horses           | 10-15 |
| Farm equipment              | 5     |
| Lawn mowers                 | 2     |
| Compressors                 | 5     |
| Laboratory equipment        | 5     |
| Radio equipment             | 5     |
| Firearms                    | 5     |
| Telecommunication equipment | 5     |
| General                     | 5     |
| Cable cars                  | 15    |
| Irrigation systems          | 15    |
| Cremators                   | 15    |
| Lathes                      | 15    |
| Machining equipment         | 15    |
| Conveyors                   | 15    |
| Feeders                     | 15    |
| Tippers                     | 15    |
| Pulverising mills           | 15    |





**METHODOLOGY  
FOR THE  
IMPAIRMENT &  
ASSESSMENT OF  
USEFUL LIVES OF ASSETS  
POLICY**

**JULY 2018**

**GA-SEGONYANA  
LOCAL MUNICIPALITY**

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## PURPOSE

The purpose of this document is:

- To set out a methodology for the impairment and useful lives assessment of property, plant and equipment in line with the applicable accounting standards;
- To ensure that sufficient provision is made for the impairment of property, plant and equipment in the annual financial statements; and
- Ensure that assets disclosed in the annual financial statements are stated at amounts that are in line with GRAP 17 Property, plant and equipment.

## SCOPE

The methodology is applicable to all property, plant and equipment subsequently measured at cost. This includes the following:

- Land;
- Buildings;
- Infrastructure assets;
- Community assets;
- Other property, plant and equipment; and
- Housing development fund assets.

## DEFINITIONS AND ABBREVIATIONS

“**ASB**” means Accounting Standards Board

“**CFO**” means Chief Financial Officer

“**Entity**” means Ga-segonyana Local Municipality.

“**ESKOM**” means the Electricity Supply Commission

“**EUL**” means estimated useful life, which is the period of time over which an asset is expected to be used by the municipality

“**FAQ**” means frequently asked questions as issued by the Accounting Standards Board

“**Financial year**” means the period 1 July of one year to 30 June of the following year (both days included)

“**GRAP**” means generally recognised accounting practices

“**IDP**” means integrated development plan

“**Impairment**” is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the assets future economic benefits or service potential through depreciation or amortisation.

**“Impairment loss of a cash-generating asset”** is the amount by which the carrying amount of an asset exceeds its recoverable amount.

**“Impairment loss of a non-cash-generating asset”** is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

**“MFMA”** means Municipal Finance Management Act, Act 56 of 2003

**“Municipality”** means Ga-segonyana Local Municipality

**“NERSA”** means the National Energy Regulator of South Africa

**“Reporting date”** means 30 June of each year

**“RUL”** means remaining useful life

**“SDBIP”** means service delivery budget implementation plan

## **APPLICABLE ACCOUNTING STANDARDS**

GRAP 17 property, plant and equipment sets out the requirements and guidelines for the assessment of useful lives.

*GRAP 17.56 “The residual value and the useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on accounting policies, changes in accounting estimates and errors. ”*

*GRAP 17.57 “Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.”*

*GRAP 21.18 and GRAP 26.19 “The entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable service amount of the asset.”*

GRAP 21 will be applying by the entity on impairment of non-cash-generating assets and GRAP 26 on impairment of cash-generating asset.

## **ADDITIONAL GUIDANCE**

The frequently asked questions (FAQ) issued by the Accounting Standards Board (ASB) issued 5 May 2014 provided additional guidance on the treatment of fully depreciated assets still in use.

Extract out the FAQ issued 5 May 2014

*"In terms of GRAP 17 property, plant and equipment, an entity is required to assess the appropriateness of the useful lives, residual values and depreciation methods of assets at every reporting date. Where an entity has fully depreciated assets because it did not appropriately apply the principles of GRAP 17, either because it did not review the useful lives or residual values of assets at previous reporting dates, or because it did not use available information appropriately, this results in an error in accordance with GRAP 3.*

*When an entity applies the principles in GRAP 17 appropriately and uses all the information available to it in considering the useful lives, residual values and depreciation methods, then this would not result in an error but a change in estimate.*

*It may be appropriate, in rare instances, for an entity to hold fully depreciated assets which it still uses. If an entity made an appropriate estimate of the useful lives, residual values and depreciation of an asset based on the information available at the previous reporting dates, it continues to measure the assets at R1, and considers whether disclosure of the fact that it has fully depreciated assets still in use is appropriate.*

*The instances when an entity would be allowed to follow this approach (i.e. retain as fully depreciated and disclose where appropriate) would be very rare and would be limited to assets that are not significant to an entity's operations. If the assets are significant to an entity's operations and service delivery objectives, then appropriate adjustments will need to be made.*

*If the requirements of GRAP 17 were correctly applied in prior periods, but expectations changed after year end, then the adjustment will result in a change in accounting estimate (i.e. an adjustment to depreciation) and not an error. However, if the requirements of GRAP 17 were not correctly applied in prior periods, the adjustment results in an error in accordance with GRAP 3.*

*Whether adjusting for a change in an accounting estimate or an error, the disclosure requirements in GRAP 3 should be applied."*

## METHODOLOGY FOR IMPAIRMENT

### 1. Scope

The assessment for impairment will not apply to the following categories:

- Inventories;
- Assets arising from construction contracts;
- Financial assets that are within the scope of the Standard of GRAP on Financial Instruments;
- Investment property that is measured at fair value;
- Biological assets related to agricultural activities that are measured at fair value less costs to sell; and
- Deferred acquisition costs, and intangible assets, arising from an insurers contractual rights under insurance contracts within the scope of the International Financial Reporting Standard on insurance contracts

### 2. Timing of assessment

The municipality will assess at the end of each reporting date whether there is objective evidence that property, plant and equipment are impaired. Only if such evidence exists, the municipality will estimate the impairment loss.

### 3. Evidence of impairment

An item of property, plant and equipment indicates the possibility of impairment if the asset is not performing the way it is intended to perform.

The assessment of impairment is performed per asset.

The following are some key indicators which the municipality considers in determining if an impairment loss has incurred:

| Incidents or indicator              | Example   |
|-------------------------------------|---|
| Physical damage of assets           | <ul style="list-style-type: none"><li>▪ Building or roads closed due to structural damage;</li><li>▪ Sections of elevated roadways that have sagged, indicating it requires replacement in 5 years instead of 7 years;</li><li>▪ Water treatment plant whose capacity has been reduced by an intake blockage <b>and</b> the removal is not economical;</li><li>▪ Moveable assets where the condition is indicated as very poor or not in use (broken) to be disposed.</li><li>▪ Where the condition of asset deteriorate faster than expected</li></ul> |
| Riots that caused damaged to assets | Buildings or vehicles being burned or   |



| Incidents or indicator   | Example  |   |
|--|--|---|
|  | vandalised   |   |
| Excessive maintenance required on an asset.  | The actual spend on maintenance is significantly higher than what was budgeted or anticipated  |   |
| Intended use of an asset changed and now the assets are not being used   | Rental buildings being used as storage facilities instead to earn rental   |   |
| Performance of the asset has reduced beyond what is expected based on the age of asset or group of assets                        | <ul style="list-style-type: none"> <li>▪ Printer print 200 copies a month instead of the expected 500 copies</li> <li>▪ Sewer Purification plant effluent not up to required standard</li> <li>▪ Water purification not up to blue drop requirements/standard</li> </ul> |   |
| Acts of God  | Flood damage   | Buildings and road flooded resulting in structural damage   |
|  | Lightning  | <ul style="list-style-type: none"> <li>▪ Resulting in burning down of assets;</li> <li>▪ Causing damage to electricity network; or</li> <li>▪ Causing damage to electronic devices such as TV, computers, etc.</li> </ul> |
| Decision to halt the construction of the asset before it is complete or in a usable condition                                    | Construction was stopped due to identification of environmental condition (for example identification of graves at construction site) and the construction will not continue or it will take a significant time before it commences again                                |   |
| Decrease in the request for a service although the asset can still perform at the level required                                 | Sport fields which are not being utilised by the community although they are in working order  |   |
| Changes in technology with an adverse effect on the use of asset   | Computer equipment that is not being used as the technology is old and new computers are rather purchased  |   |
| Significant changes with an adverse effect on the municipality in the government policy environment                              | Introduction of SCOA which could lead to the current financial operating system becoming obsolete  |   |
| Decline in land's market value that is significantly greater than would be expected as a result of passage of time or normal use | Decline in the values as per the current valuation roll compared to that of the previous valuation roll  |   |
| Increase in rehabilitation cost for landfill sites, borrow pits and quarries   | Any debit entry to the cost of land for landfill sites, borrow pits or quarries as a result of the increase in the estimated rehabilitation cost   |   |

A change in a parameter such as demand for the service, extent or manner of use, legal environment or government policy environment would indicate impairment only

if such a change was significant and had or was anticipated to have a long term adverse effect.

The following incidents are not considered indicators of impairment but rather an indication that maintenance is required:

- Office chair where one of more wheels are missing;
- Office desk where a drawer is not opening properly;
- Office chair where the material is dirty due to continues used however the chair is still in good functional condition;
- Office cupboard of which the door is hanging loose due to hinges being missing or broken; or
- Water treatment plant whose capacity has been reduced by an intake blockage and the removal of the blockage is economical.
- Movable assets broken and no longer in use should be written off.

If there is an indication that an asset may be impaired, this may indicate that the remaining useful life, the depreciation (amortisation) method or the residual value for the asset needs to be reviewed and adjusted in accordance with the Standard of GRAP applicable to the asset, even if no impairment loss is recognised for the asset. Refer to the section on **Methodology for reassessment of remaining useful life**

#### 4. Documentary proof of impairment

In events where indicators are found for impairment to significant assets must be supported by documentary proof for example:

| Incidents or indicator of impairment  | Examples of documentary proof  |
|---|--|
| Physical damage of assets <ul style="list-style-type: none"> <li>▪ Building or roads closed due to structural damage;</li> <li>▪ Sections of elevated roadways that have sagged, indicating it requires replacement in 5 years instead of 7 years;</li> <li>▪ Water treatment plant whose capacity has been reduced by an intake blockage <u>and</u> the removal is not economical;</li> <li>▪ Moveable assets where the condition is indicated as very poor;</li> <li>▪ Where the condition of asset deteriorate faster than expected</li> </ul> | <ul style="list-style-type: none"> <li>▪ Council resolution and pictures close to reporting date.</li> <li>▪ Engineer assessment report and pictures close to reporting date</li> <li>▪ Engineer report on capacity reduction and intake reports close to reporting date or council resolution.</li> <li>▪ Pictures close to reporting date or council report for disposal.</li> <li>▪ Condition assessment report, increased maintenance schedule or report to Council for disposal.</li> </ul> |
| Riots that caused damaged to assets <ul style="list-style-type: none"> <li>▪ Buildings or vehicles being burned</li> </ul>  | Council resolution and pictures close to reporting date.   |
| Excessive maintenance required on an asset. <ul style="list-style-type: none"> <li>▪ The actual spend on maintenance is significantly higher that what was</li> </ul>   | Report on actual spend on maintenance on a specific assets which is significantly higher that what was budgeted.   |



| Incidents or indicator of impairment  | Examples of documentary proof   |
|---|---|
| budgeted or anticipated.  |   |
| <p>Intended use of an asset changed and now the assets are not being used</p> <ul style="list-style-type: none"> <li>Rental buildings being used as storage facilities instead to earn rental</li> </ul>  | Council resolution and cancelation of rental agreement  |
| <p>Performance of the asset has reduced beyond what is expected for the age of asset or group of assets</p> <ul style="list-style-type: none"> <li>Sewer purification plant effluent not up to required standard</li> <li>Water purification not up to blue drop requirements/standard.</li> </ul>  | Engineer report on performance of asset with evidence of effluent report, water testing results etc.  |
| <p>Acts of God</p> <ul style="list-style-type: none"> <li>Flood damage (Buildings and road flooded resulting in structural damage)</li> <li>Lightning (Resulting in burning down of assets, Causing damage to electricity network; or Causing damage to electronic devices such as TV, computers, etc.)</li> </ul>  | <p>Report to council, pictures close to reporting date, Insurance claim etc.</p> <p>Report to council, pictures close to reporting date, insurance claim etc.</p>       |
| <p>Decision to halt the construction of the asset before it is complete or in a usable condition</p> <ul style="list-style-type: none"> <li>Construction was stopped due to identification of environmental condition (for example identification of graves at construction site) and the construction will not continue or it will take a significant time before it commences again.</li> </ul> | <ul style="list-style-type: none"> <li>Environmental impact study report or photos</li> <li>Council resolution to continue or not continue with construction</li> </ul> |
| Decrease in the request for a service although the asset can still perform at the level required  | Sport fields which are not being utilised by the community although they are in working order   |
| Changes in technology with an adverse effect on the use of asset  | Computer equipment that is not being used as the technology is old and new computers are rather purchased   |
| Significant changes with an adverse effect on the Municipality in the government policy environment   | Introduction of SCOA with could lead to the current financial operating system becoming obsolete  |
| Decline in land's market value that is significantly greater than would be expected as a result of passage of time or normal use  | Decline in the values as per the current valuation roll compared to that of the previous valuation roll   |
| Increase in rehabilitation cost for landfill sites, borrow pits and quarries  | Any debit entry to the cost of land for landfill sites, borrow pits or quarries as a result of the increase in the estimated rehabilitation cost                        |

## 5. Distinguish between cash and non-cash generating assets

In order to calculate the impairment loss it is necessary to calculate the recoverable service amount or the recoverable amount, these calculations however is dependent on if the asset is cash generating or non-cash generating.

Cash generating assets are asset held with the primary objective to generate a commercial return, while non-cash generating assets are asset that are not cash generating. (FAQ – non-cash generating primary held for service delivery purposes.)

In order to determine if any of the municipality's assets are cash generating it looks at the objective of the asset and what return does it generate.

### 5.1. Administrative / owner-occupied assets

It is accepted that all administrative assets, for example, vehicles, office equipment/furniture, plant and machinery, computer equipment and administrative land and buildings are non-cash generating assets as they do not generate any return.

### 5.2. Infrastructure assets

Infrastructure assets can be divided into five main groups, roads, water, electricity, sewer and waste management.

Roads do not generate any return and is therefore categorised as non-cash generating assets.

Water and electricity infrastructure assets in the municipality generate a return in the form of water and electricity service charges. These returns are not considered to be commercial returns for the following reason:

- These levies are determined annually based on:
  - the funds required as per the budget; and
  - the fees set by ESKOM and NERSA
- The budget is prepared to meet the objective of the municipality as set out in the IDP and SDBIP;
- The objectives of the municipality set in the IDP and SDBIP is to deliver services to the community and not to generate a commercial return.

Water and electricity infrastructure assets are non-cash generating assets.

Waste management do generate a return in the form of a fee charged at landfill sites for the disposing of household waste when the load is of a certain size. These landfill sites are however management to project health, well-being and the environment by providing the facility to safely dispose of household waste. Landfill sites are treated as non-cash generating assets.

### 5.3. **Community assets**

Community assets are all categorised as non-cash generating assets even if some of these assets, for example, swimming pool, community hall or cemeteries generate a return.

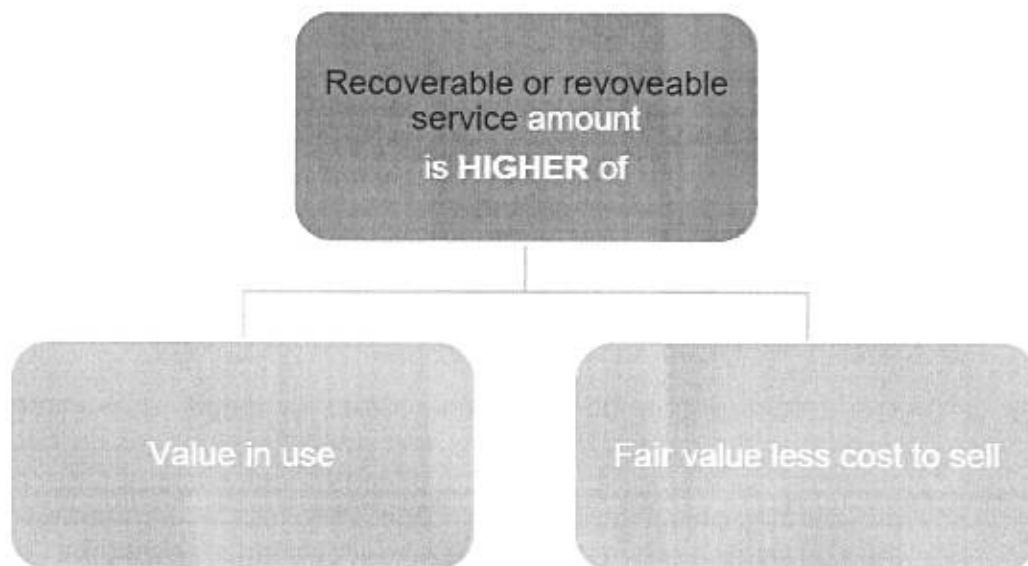
The return generated by these assets is small and immaterial in relation to the cost of the assets and therefor is not considered to be a commercial return. In addition, all community assets are held with the primary objectives of service delivery in the community, to uplift the communities and to stimulate and enhance economic growth in the different communities.

## 6. **Calculation and recognition of impairment loss**

The impairment loss is calculated as the difference between the carrying values at reporting date less the recoverable service amount (non-cash generating assets) or recoverable amount (cash generating assets).



## 7. RECOVERABLE SERVICE AMOUNT



The recoverable service amount of the following assets is considered to be R0. These assets are impaired to R0 and subsequently scrapped from the register.

| Impairment indicator   | Reason  |
|--|---|
| Assets lost  | The asset's remaining service potential to the municipality is R0 as the asset does not exist anymore and in addition the asset cannot be sold thus there is no value in use or fair value for the asset  |
| Vehicles written off / scraped by insurance company            | The asset's remaining service potential to the municipality is R0 as the asset is taken by the insurance company. The amount to be paid out by the insurance company is not the fair value of the vehicle in a similar condition  |
| Assets with condition being very poor                          | The asset's remaining service potential to the municipality is considered minimal. The reason is because the DRC should be calculated taking the condition into account and due to the condition the DRC will be a minimal amount. The fair value is also considered minimal as the only indication of the possible amount to be obtained from sale of these assets is auctions held. The prices obtained at auctions are minimal and although these are not the fair value it is used as an indication of fair value |
| Where an asset was replaced which is not yet fully depreciated |   |
| Assets refurbished which is not yet fully depreciated          |   |

### 7.1. Value in use

Value in use is the present value of the asset's remaining service potential and is determined using the depreciated replacement cost method.

## Depreciated replacement cost

Depreciated replacement cost is the current cost that will have to be incurred to replace the asset and then this amount is depreciated to reflect the asset's current age and condition.



The current replacement cost is obtained from the following sources:

- If there was a purchase in the last 6 months of the same asset by the municipality
  - The invoice of that particular purchase is used to determine the current replacement cost
- If there has been no purchase in the last 6 months of the same asset by the municipality
  - A quotation is obtained from a reputable supplier for the current purchase price

The RUL and EUL of the asset being impaired are obtained from the current asset register.

### 7.2. Fair value less cost to sell

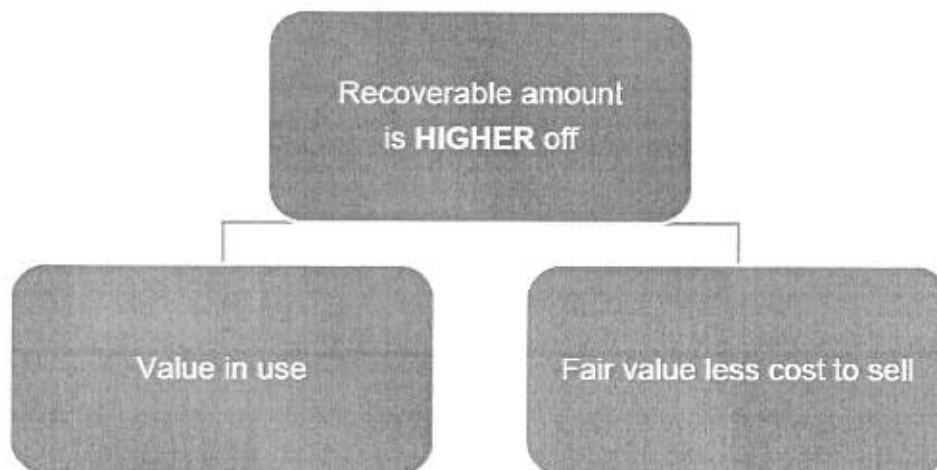
The fair value less cost to sell is obtained from the sale of the asset in an arm's length transaction between knowledgeable, willing parties, less cost of disposal.

In the municipality's environment infrastructure assets are not sold and therefor a reliable estimate of infrastructure asset's fair value cannot be obtained. The recoverable service amount of infrastructure assets will be the depreciated replacement cost.

Fair value less cost to sell is obtained from the following sources:

- Selling prices in any sale agreements of the asset or of similar assets;
- If there is an active market the prices is obtained from the market. Sources could include the internet and/or newspapers.

## 8. RECOVERABLE AMOUNT



### 8.1. Value in use

Value in use of cash-generated assets is the present value of future cash flows expected to derive from the continued use of an asset and from its disposal at the end of its useful life.

#### Estimated future cash flows

Prior year and current year actual cash flows as well as next year's budgeted cash flows are used as a baseline for determining the estimated future cash flows. These cash flows are then adjusted to determine estimated future cash flows. The following are examples of data taken into consideration in determining these future cash flows:

- Risks associated with the asset
- Any contracts in place for the asset such as rental contracts
- Consumer data such as quantity of consumers and average consumer rate
- Growth of consumer base in the municipal area
- Average new connections a year
- Financial ratios

#### Discount rate

The discount rate reflects the current market assessment of time value of money and the risks associated with the asset. The accounting standards require the rate to be a pre-tax rate however as the Municipality does not pay tax this has no implication on the discount rate.

The CPI inflation rate at reporting date is used as the rate that reflects current market assessment of time value of money. This rate is obtained from the Stats SA website <http://statssa.gov.za/cpi>

All risks associated with the asset are adjusted in the estimated future cash flows and therefore the CPI rate requires no adjusted for risks associated with the asset.

## **8.2. Fair value less cost to sell**

The fair value less cost to sell is obtained from the sale of the asset in an arm's length transaction between knowledgeable, willing parties, less cost of disposal.

Fair value less cost to sell is obtained from the following sources:

- Selling prices in any sale agreements of the asset or of similar assets;
- If there is an active market the prices is obtained from the market. Sources could include the internet and/or newspapers.



## METHODOLOGY FOR REASSESSMENT OF REMAINING USEFUL LIFE

At each reporting date the assets are physically verified, a condition grade and utilisation grade is assigned to each asset. The remaining useful lives are reassessed based on these condition and utilisation grades.

The assessment of remaining useful life is performed on a facility level, therefore the condition and utilisation grade is on a facility level. However if components making up at least 30% of the total cost of the facility show any of the indicators listed below then the components in the facility will be assessed individually.

### 1. Indicators for individual assessment

When any of the following indicators exist on components making up at least 30% of the total cost of a facility then the components of the facility will be individually assessed.

- Is there any indicators of impairment; or
- Had the components been replaced during the reporting period; or
- Had there been major repairs during the reporting period

### 2. Condition grades

| Grade | Description       | Detail description  |
|-------|-------------------|---|
| 5     | Excellent         | New, sound structure or appearance that is well maintained. Continue with normal planned maintenance. |
| 4     | Good              | Performance acceptable with minor deterioration visible. Normal planned maintenance continues.        |
| 3     | Fair              | Some evidence of deterioration. Minor maintenance may be required.                                    |
| 2     | Poor              | Significant deterioration in structure or appearance. Major repairs or upgrade is required.           |
| 1     | Very poor / scrap | Not functional, unusable, fully deteriorated. Needs reconstruction, replacement or disposal.          |

### 3. Utilisation grades

| Grade | Description | Detail description          |
|-------|-------------|-----------------------------|
| 5     | Not used    | Substantially below norms   |
| 4     | Under used  | Moderately below norms      |
| 3     | Normal use  | Within norms                |
| 2     | At capacity | Moderately exceeds norms    |
| 1     | Overloaded  | Substantially exceeds norms |

### 4. Combined grade

The condition grade and the utilisation grade are added to obtain a combined grade. This combined grade is then used to calculate a newly assessed remaining useful life.



| Combined grade | Estimated remaining useful life |
|----------------|---------------------------------|
| 9 or 10        | 100% of expected useful life    |
| 7 or 8         | 80% of expected useful life     |
| 5 or 6         | 60% of expected useful life     |
| 3 or 4         | 30% of expected useful life     |
| 1 or 2         | 10% of expected useful life     |

## REVIEW OF METHODOLOGY

In terms of section 17(1)(e) of the MFMA policies must be reviewed on an annual basis and the review policy tabled to Council for approval as part of the budget process.

|                              |                         |
|------------------------------|-------------------------|
| <b>Section:</b>              | Chief Financial Officer |
| <b>Current review date:</b>  |                         |
| <b>Previous review date:</b> |                         |

## APPROVAL AND IMPLEMENTATION OF METHODOLOGY

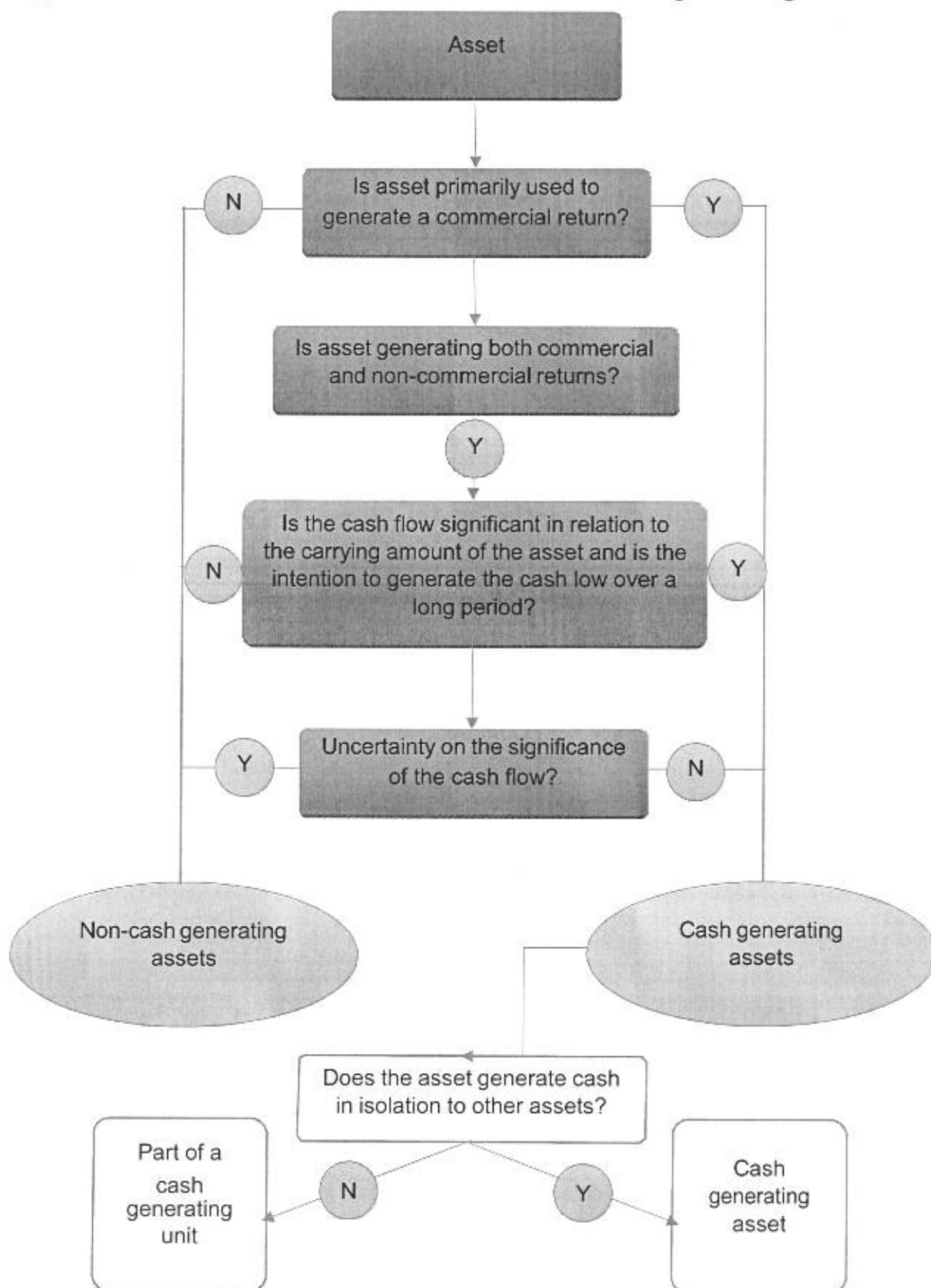
This methodology shall be implemented once approved by council.

|                                  |                         |
|----------------------------------|-------------------------|
| <b>Section:</b>                  | Chief Financial Officer |
| <b>Approval date by council:</b> |                         |

## SOURCE

- GRAP 17 property, plant and equipment issued March 2012
- GRAP 21 impairment of non-cash generating assets issued March 2009
- GRAP 26 impairment of cash generating assets issued March 2009
- FAQ issued May 2014
- National Treasury Accounting Guidelines GRAP 17 property, plant and equipment
- National Treasury Accounting Guidelines GRAP 21 impairment of non-cash generating assets
- National Treasury Accounting Guidelines GRAP 26 impairment of cash generating assets

## Appendix A – Decision tree between cash and non-cash generating assets



## Appendix B – Examples

### **Example 1: Calculation of depreciated replacement cost**

Impairment indicators showed that asset 02569, a Mr Chairman high back chair features, swivel & tilt mechanism and black nylon base, should be tested for impairment. The municipality bought a similar chair from Cecil Nurse in February for R1 500 excluding VAT. Asset 02569 as at 30 June shows on the asset register:

- Carrying value of R300,
- RUL of 2 years and
- EUL was 12 years.

Depreciated replacement cost is calculated as follows:

$$R1\ 500 \times 2/12 = R250$$

Impairment is calculated as:

$$R300 - R250 = R50$$

Impairment loss of R50 will be recognised.

**Example 2: Calculation of remaining useful life**

At reporting date (30 June 2014) a physical verification of all assets was performed at reporting date. The Kruger Dam water treatment works facility was assessed at facility level and found:

- Condition assessment to be good as the plant is in working order and only routine maintenance is required
- Utilisation level was assessed to be normal

During the financial year no major repairs were performed on the plant and during the verification process not impairment indicators were identified.

**Calculation of estimated remaining useful life**

| Description          | Grade |
|----------------------|-------|
| Condition – Good     | 4     |
| Utilisation – Normal | 3     |
| Combined grade       | 7     |

Based on the combined grade the remaining useful life at the start of the financial year is 70% of the expected useful life (EUL).

As per the asset register at 1 July 2013 the facility detail was as follows:

| Component            | Carrying value     | EUL in months |
|----------------------|--------------------|---------------|
| External facilities  | R8 125 125         | 240           |
| Civil structure      | R780 215           | 240           |
| Mechanical equipment | R1 256 458         | 84            |
| Metal work           | R520 000           | 120           |
| Electrical equipment | R296 326           | 60            |
| Pipe-work            | R259 111           | 144           |
| <b>Total</b>         | <b>R11 237 235</b> |               |

The RUL at 1 July 2013 will be reassessed as follows:

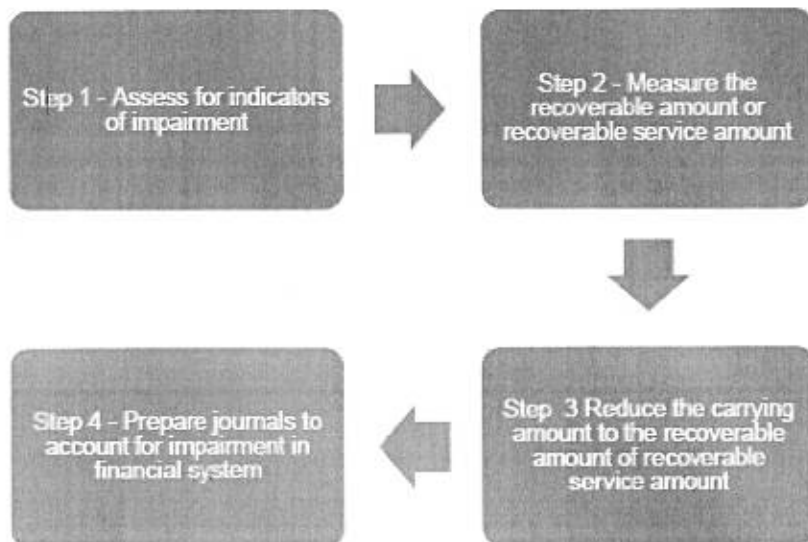
| Component            | EUL | Adjustment | Reassessed RUL |
|----------------------|-----|------------|----------------|
| External facilities  | 240 | 70%        | 168            |
| Civil structure      | 240 | 70%        | 168            |
| Mechanical equipment | 84  | 70%        | 59 *           |
| Metal work           | 120 | 70%        | 84             |
| Electrical equipment | 60  | 70%        | 42             |
| Pipe-work            | 144 | 70%        | 101 *          |

\*\* - Reassessed RUL is always rounded the nearest full month

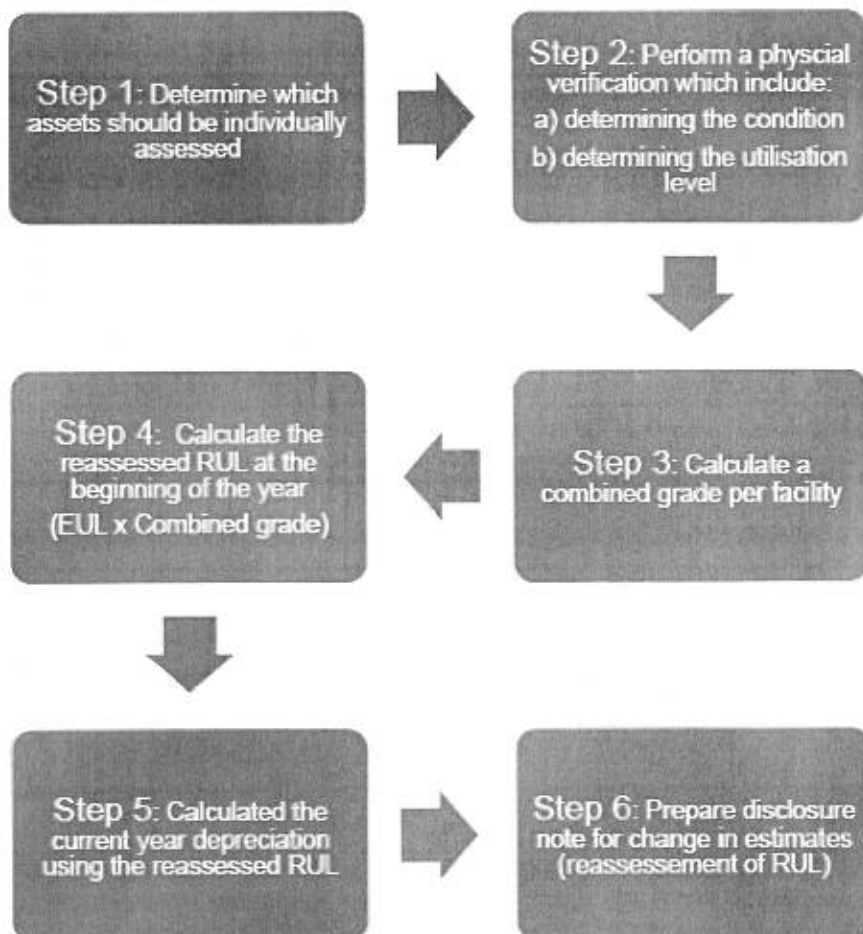
Depreciation for the year ended 30 June 2014 will be:

| Component            | Carrying value     | RUL at 30 Jun 2013 | Depreciation for 2014 |
|----------------------|--------------------|--------------------|-----------------------|
| External facilities  | R8 125 125         | 168 months         | R580 366.07           |
| Civil structure      | R780 215           | 168 months         | R55 729.64            |
| Mechanical equipment | R1 256 458         | 59 months          | R255 550.78           |
| Metal work           | R520 000           | 84 months          | R74 285.71            |
| Electrical equipment | R296 326           | 42 months          | R84 664.57            |
| Pipe-work            | R259 111           | 101 months         | R30 785.47            |
|                      | <b>R11 237 235</b> |                    | <b>R1 081 382.25</b>  |

### Work procedure - Impairment



### Work procedure – Review of RUL











# APPENDIX H



**GA-SEGONYANA MUNICIPALITY**



**SUPPLY CHAIN  
MANAGEMENT POLICY**

**MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY  
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT 2003**

Reviewed by Council on .....



# **MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT 2003**

## **SUPPLY CHAIN MANAGEMENT POLICY REVIEW AND ADOPTION PROCESS**

| <b>Adoption and Review</b> | <b>Council Resolution Date</b> | <b>Council Resolution Number</b> |
|----------------------------|--------------------------------|----------------------------------|
|                            |                                |                                  |
|                            |                                |                                  |
|                            |                                |                                  |

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## Definitions

1. In this policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

**“competitive bidding process”** means a competitive bidding process referred to in paragraph 12(1)(d) of this policy;

**“competitive bid”** means a bid in terms of a competitive bidding process;

**“final award”**, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

**“formal written price quotation”** means quotations referred to in paragraph 12(1) (c) of this policy;

**“in the service of the state”** means to be –

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the National Assembly or the National Council of Provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of parliament or provincial legislature;

**“long term contract”** means a contract with a duration period exceeding one year;

**“list of accredited prospective providers”** means the list of accredited prospective providers which the municipality must keep in terms of paragraph 14 of this policy;

**“municipality”** means Ga-Segonyana Local Municipality

**“other applicable legislation”** means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No.5 of 2000)
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003); and
- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

Ga-Segonyana Local Municipality  
Supply Chain Management Policy

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**“senior manager”** means head of department;

**“treasury guidelines”** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

**“the Act”** means Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003);

**“the regulations”** means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

**“written or verbal quotations”** means quotations referred to in paragraph 12(1)(b) of this Policy.



**CHAPTER 1**  
**IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY**

**Supply Chain Management Policy**

- 2. (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –**
- (a) gives effect to –
    - (i) Section 217 of the Constitution; and
    - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
  - (b) is fair, equitable, transparent, competitive and cost effective
  - (c) complies with –
    - (i) the Regulations; and
    - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
  - (d) is consistent with other applicable legislation;
  - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
  - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) This policy applies when the municipality –**
- (a) procures goods or services;
  - (b) disposes goods no longer needed;
  - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
  - (d) selects external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

- (3) **This policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –**
- (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
  - (b) electricity from Eskom or another public entity, another municipality or a municipal entity;

#### **Amendment of the Supply Chain Management Policy**

3. (1) **the Accounting officer must –**
- (a) at least annually review the implementation of this policy; and
  - (b) when the accounting officer considers it necessary, submit proposals for the amendment of this policy to the council.
- (2) **If the Accounting Officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the Accounting Officer must –**
- (a) ensure that such proposed amendments comply with the regulations; and
  - (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) **When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.**

#### **Delegation of Supply Chain Management powers and duties**

4. (1) **The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the Accounting Officer –**

Ga-Segonyana Local Municipality  
Supply Chain Management Policy

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- (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of -
    - (i) Chapter 8 or 10 of the Act; and
    - (ii) this Policy;
  - (b) to maximise administrative and operational efficiency in the implementation of this policy;
  - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favoritism and unfair and irregular practices in the implementation of this policy; and
  - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- 
- (2) Section 79 and 106 of the Act apply to the subdelegation of powers and duties delegated to an Accounting Officer in terms of subparagraph (1).**
  - (3) The Accounting Officer may not subdelegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality;**
  - (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.**

**Sub-delegations**

- 5.
  - (1) The accounting officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this policy.**
  - (2) The power to make a final award –**
    - (a) above R10 million (Vat included) may not be sub-delegated by the accounting officer;

- (b) above R2 million (Vat included), but not exceeding R10 million (vat included), may be sub-delegated but only to –
    - (i) the Chief Financial Officer;
    - (ii) a senior manager; or
    - (iii) bid adjudication committee of which the chief financial officer or a senior manager is a member, or
  - (c) not exceeding R2 million (vat included) may be sub-delegate but only to –
    - (i) the Chief Financial Officer;
    - (ii) a senior manager,
    - (iii) a manager directly attributable to the chief financial officer or a senior manager, or
    - (iv) a bid adjudication committee,
- (3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including –**
- (a) the amount of the award;
  - (b) the name of the person to whom the award was made; and
  - (c) the reason why the award was made to that person.
- (4) A written report to in subparagraph (3) must be submitted –**
- (a) to the accounting officer, in the case of an award by –
    - (i) the chief financial officer;
    - (ii) a senior manager; or
    - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
  - (b) to the chief financial officer or senior manager responsible for the relevant bid, in the case of an award by -

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- (i) a manager referred to in subparagraph (2)(c)(iii); or
  - (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.
- (5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

**Oversight role of Council**

6. (1) The council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must –
- (a) (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
  - (ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council, who must then submit the report to the accounting officer of the parent municipality for submission to the council

- (3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

#### **Supply Chain Management Unit**

- 7. (1) A supply chain management unit is hereby established to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

#### **Training of Supply Chain Management Officials**

- 8. The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

## CHAPTER 2

### SUPPLY CHAIN MANAGEMENT SYSTEM

#### Format of supply chain management system

9. This Policy provides systems for –
- (i) demand management;
  - (ii) acquisition management;
  - (iii) logistics management;
  - (iv) disposal management;
  - (v) risk management; and
  - (vi) performance management.

#### *Part 1: Demand management*

#### System of demand management

10. (1) **The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.**
- (2) **The demand management system must –**
- (a) include timely planning and management processes to ensure that all goods and services required by **the municipality** quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
  - (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
  - (c) provide for the compilation of the required specifications to ensure that its needs are met.
  - (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

***Part 2: Acquisition management***

**System of acquisition management**

- 11. (1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –**
- (a) that goods and services are procured by **the municipality** accordance with authorised processes only;
  - (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
  - (c) that the threshold values for the different procurement processes are complied with;
  - (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
  - (e) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including –**
- (a) the kind of goods or services; and
  - (b) the name of the supplier.

**Range of Procurement Processes**

- 12. (1) Goods and services may only be procured by way of –**
- (a) written or verbal quotations for procurements of a transaction value over R1 up to R3 000 (VAT included);
  - (b) formal written price quotations for procurements of a transaction value over **R3 000** up to R200 000 (VAT included);
  - (c) a competitive bidding process for–
    - (i) procurements above a transaction value of R200 000 (VAT included); and



- (ii) the procurement of long term contracts.

**(2) The accounting officer may, in writing-**

- (a) lower, but not increase, the different threshold values specified in subparagraph (1); or
- (b) direct that –
  - (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R3 000;
  - (ii) formal written price quotations be obtained for any specific procurement of a transaction between R3, 000.00 and R30 000; or
  - (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200, 000.00
- (3) **Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.**

**General preconditions for consideration of written quotations or bids**

13. A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

- (a) has furnished that provider's –
  - (i) full name;
  - (ii) identification number or company or other registration number; and
  - (iii) tax reference number and VAT registration number, if any;
- (b) has authorised the **municipality** obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and

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- (c) has indicated –
- (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
  - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
  - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

**Lists of accredited prospective providers**

**14. (1) The accounting officer must –**

- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
  - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
  - (c) specify the listing criteria for accredited prospective providers; and
  - (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.**
- (3) The list must be compiled per commodity and per type of service.**

**Written or verbal quotations**

- 15.** The conditions for the procurement of goods or services through written or verbal quotations, are as follows:
- (a) Quotation must be obtained from ONE provider preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the **municipality** provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
  - (b) to the extent feasible, providers must be requested to submit such quotations in writing;
  - (c) if it is not possible to obtain one quotation, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;
  - (d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
  - (e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

**Formal written price quotations**

- 16. (1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:**
- (a) quotations must be obtained in writing from at least THREE different providers whose names appear on the list of accredited prospective providers of the **municipality**;
  - (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
  - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and
  - (d) the accounting officer must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.**

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**Procedures for procuring goods or services through written or verbal quotations and formal written price quotations.**

17. The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, is as follows:
- (a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
  - (b) all requirements in excess of R30 000 (Vat Included) but not exceeding R200 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 16, be advertised for at least seven days on the website and an official notice board of the **municipality**
  - (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
  - (d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
  - (e) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
  - (F) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;

**Competitive bids**

18. (1) **Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.**
- (2) **No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.**

**Process for competitive bidding**

19. The procedures for the following stages of a competitive bidding process are as follows:
- (a) Compilation of bidding documentation as detailed in paragraph 20
  - (b) Public invitation of bids as detailed in paragraph 21;
  - (c) Site meetings or briefing sessions as detailed in paragraph 21;
  - (d) Handling of bids submitted in response to public invitation as detailed in paragraph 22;
  - (e) Evaluation of bids as detailed in paragraph 27;
  - (f) Award of contracts as detailed in paragraph 28;
  - (g) Administration of contracts
    - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
  - (h) Proper record keeping
    - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

**Bid documentation for competitive bids**

20. The criteria to which bid documentation for a competitive bidding process must comply, must –
- (a) take into account –
    - (i) the general conditions of contract and any special conditions of contract, if specified;
    - (ii) any Treasury guidelines on bid documentation; and
    - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

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- (b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
  - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
    - (aa) for the past three years; or
    - (bb) since their establishment if established during the past three years;
  - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
  - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
  - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

**Public invitation for competitive bids**

**21. (1) The procedure for the invitation of competitive bids, is as follows:**

- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the **municipality** or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
- (b) the information contained in a public advertisement, must include –

- (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;
  - (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality; and
  - (ii) date, time and venue of any proposed site meetings or briefing sessions.;
- (2) **The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.**
- (3) **Bids submitted must be sealed.**
- (4) **Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.**

**Procedure for handling, opening and recording of bids**

**22.** The procedures for the handling, opening and recording of bids, are as follows:

- (a) Bids–
  - (i) must be opened only in public;
  - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
  - (iii) received after the closing time should not be considered and returned unopened immediately.
- (a) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
- (b) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

- (d) The accounting officer must –
- (i) record in a register all bids received in time;
  - (ii) make the register available for public inspection; and
  - (iii) publish the entries in the register and the bid results on the website.

#### **Negotiations with preferred bidders**

- 23. (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –**
- (a) does not allow any preferred bidder a second or unfair opportunity;
  - (b) is not to the detriment of any other bidder; and
  - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.**

#### **Two-stage bidding process**

- 24. (1) A two-stage bidding process is allowed for –**
- (a) large complex projects;
  - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.**
- (3) In the second stage final technical proposals and priced bids should be invited.**

#### **Validity Periods**

- 25. Extension of the validity period –**
- 1. The period for which bids are to remain valid and binding must be indicated in the bid document;**



2. The validity period is calculated from bid closure date and bids shall remain in force and binding until the end of the final day of that period;
3. The responsible official for the bid must take all possible steps to ensure the bids are evaluated and adjudicated within the validity period;
4. This period of validity may be extended, provided that the original validity period has not expired. The period of extension must be agreed to by both the municipality and the bidder within a reasonable period, but may not exceed a further period of ninety (90) days;
5. The responsible official must ensure that all bidders (responsive or non-responsive) are given an opportunity to extend the validity period to ensure that bids are valid throughout the evaluation period or until the award is finalised;
6. All bidders (responsive and non-responsive) must inform the municipality in writing whether they agree to extend the validity period or not before the expiry date of the original validity period;
7. The responsible official must ensure that it is clearly indicated in the letter to request extension of the validity period that failure by the bidder to respond would lead thereto that the bidder refuses to extend the validity period and be deemed to have withdrawn the bid from the evaluation processes;
8. A bidder must indicate in the extension document whether he/she is willing to proceed with the bid at a tendered amount, or any conditions as set out in the offer, after the original validity has expired;

#### **Submission of Bids**

26. Bids must be submitted in accordance with the invitation to bid –

1. Bids must be submitted before the closing time, at the address and in accordance with the directives in the bid document;
2. Each bid must be in writing using non-erasable ink and must be submitted on the official Form of Offer/ Bid issued with the bid document. Only one (1) offer from bidding entity will be accepted;
3. The bid must be submitted in a separate sealed envelope with the name and address of the bidder, the bid number and title on the outside of the envelope. The envelope may not contain documents relating to any other bid other than shown in the envelope. Only sealed bids will be accepted. The municipality may accept bids where envelopes have been inadvertently marked with the name of the bidder.
4. Postal bids shall not be accepted for consideration, nor shall proof of posting or proof delivery by post be accepted as proof that bids were delivered if received after closing date of bid;
5. Electronic bids will Not be accepted;
6. No person may amend or tamper with any bids or quotations after their submission.

**Committee system for competitive bids**

27. (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:
  - (a) a bid specification committee;
  - (b) a bid evaluation committee; and

- (c) a bid adjudication committee;
- (2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and
- (3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with –
  - (a) paragraph 28, 29 and 30 of this Policy; and
  - (b) any other applicable legislation.
- (5) The accounting officer may apply the committee system to formal written price quotations.

**Bid specification committees**

28. (1) A bid specification committee must compile the specifications for each procurement of goods or services by the municipality.
- (2) Specifications –
- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
  - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
  - (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

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- (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
  - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
  - (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and
  - (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 21 of this Policy.
- (3) **A bid specification committee must be composed of one or more officials of the municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.**
- (4) **No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.**

**Bid evaluation committees**

- 29. (1) A bid evaluation committee must –**
- (a) evaluate bids in accordance with –
    - (i) the specifications for a specific procurement; and
    - (ii) the points system set out in terms of paragraph 28(2)(f).
  - (b) evaluate each bidder’s ability to execute the contract;
  - (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
  - (d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

- (2) **A bid evaluation committee must as far as possible be composed of-**
- (a) officials from departments requiring the goods or services; and
  - (b) at least one supply chain management practitioner of the **municipality**.

**Bid adjudication committees**

- 30. (1) A bid adjudication committee must –**
- (a) consider the report and recommendations of the bid evaluation committee; and
  - (b) either –
    - (i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
    - (ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

**2. The Bid Adjudication committee of Ga-Segonyana Local Municipality comprises of three (3) senior managers instead of four (4) as follows:**

- (a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
- (b) at least one senior supply chain management practitioner who is an official of the **municipality**; and
- (c) a technical expert in the relevant field who is an official, if such an expert exists.

**(3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.**

**(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.**

**(5) (a) If the bid adjudication committee decides to award a bid other than the**

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**one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –**

- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
  - (ii) notify the accounting officer.
- (b) The accounting officer may –
  - (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
  - (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- (6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (7) The accounting officer must comply with section 114 of the Act within 10 working days

#### **Extension or expansion of contracts**

##### **31.**

1. Any increase in the approved contract sum or contract period (in respect of annual bids) that may become necessary as a result of exceptional circumstances during the contract period, must be approved by the bid adjudication committee.
2. Where the community participation has been a part of the project, the community must be advised of the proposed increase and be invited to provide written comments;

- 3. The period of the extension of the contract may not exceed a period of more than six (06) months.**

#### **Accommodation**

##### **3.2. Procurement of accommodation services -**

- 1. The municipality may request quotation from only one service provider for accommodation, where the municipal official has to stay overnight outside the jurisdiction of the municipality.**

#### **Procurement of banking services**

##### **33. (1) A contract for banking services –**

- (a) must be procured through competitive bids;
- (b) must be consistent with section 7 or 85 of the Act; and
- (c) may not be for a period of more than five years at a time.

- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.**

- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 21(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).**

#### **Procurement of IT related goods or services**

- 34. (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.**

- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.**

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- (3) **The accounting officer must notify SITA together with a motivation of the IT needs if –**
- (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
  - (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- (4) **If SITA comments on the submission and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.**

**Procurement of goods and services under contracts secured by other organs of state**

35. (1) **The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –**
- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
  - (b) there is no reason to believe that such contract was not validly procured;
  - (c) there are demonstrable discounts or benefits to do so; and
  - (d) that other organ of state and the provider have consented to such procurement in writing.
- (2) **Subparagraphs (1)(c) and (d) do not apply if –**
- (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
  - (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

**Procurement of goods necessitating special safety arrangements**

36. (1) **The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.**



- (2) **Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.**

#### **Proudly SA Campaign**

37. **The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:**
- **Firstly – suppliers and businesses within the municipality or district;**
  - **Secondly – suppliers and businesses within the relevant province;**
  - **Thirdly – suppliers and businesses within the Republic.**

#### **Appointment of consultants**

38. (1) **The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.**
- (2) **Consultancy services must be procured through competitive bids if -**
- (a) **the value of the contract exceeds R200 000 (VAT included); or**
  - (b) **the duration period of the contract exceeds one year.**
- (3) **In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –**
- (a) **all consultancy services provided to an organ of state in the last five years; and**
  - (b) **any similar consultancy services provided to an organ of state in the last five years.**
- (4) **The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.**

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**Deviation from, and ratification of minor breaches of, procurement processes**

**39. (1) The accounting officer may –**

- (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
  - (i) in an emergency;
  - (ii) if such goods or services are produced or available from a single provider only;
  - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - (iv) acquisition of animals for zoos and/or nature and game reserves; or
  - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

**Unsolicited bids**

- 40. (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.**
- (2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

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- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- (c) the person who made the bid is the sole provider of the product or service; and
- (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

**(3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –**

- (a) reasons as to why the bid should not be open to other competitors;
- (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
- (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

**(4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.**

**(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.**

**(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.**

**(7) When considering the matter, the adjudication committee must take into account–**

- (a) any comments submitted by the public; and

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- 
- (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (8) **If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.**
- (9) **Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.**

**Combating of abuse of supply chain management system**

**41. (1) The accounting officer must–**

- (a) take all reasonable steps to prevent abuse of the supply chain management system;
- (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
- (i) take appropriate steps against such official or other role player; or
- (ii) report any alleged criminal conduct to the South African Police Service;
- (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) reject any bid from a bidder–
- (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the **municipality**, or to any other municipality or municipal entity, are in arrears for more than three months; or

- (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the **municipality** or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
- (f) cancel a contract awarded to a person if –
  - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
  - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (g) reject the bid of any bidder if that bidder or any of its directors –
  - (i) has abused the supply chain management system of the **municipality** or has committed any improper conduct in relation to such system;
  - (ii) has been convicted for fraud or corruption during the past five years;
  - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) **The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.**

### *Part 3: Logistics, Disposal, Risk and Performance Management*

#### **Logistics management**

42. The accounting officer must establish and implement an effective system of logistics management, which must include -

- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

#### **Disposal management**

43. (1) **The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows: council**
- (i) That once a year a list of redundant and obsolete assets be made by all departments and the list be submitted to Council for approval and then be auctioned.
- (2) **Assets may be disposed of by –**
- (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;

- (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
  - (iii) selling the asset; or
  - (iv) destroying the asset.
- (3) **The accounting officer must ensure that –**
- (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
  - (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
  - (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
  - (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
  - (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
  - (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
  - (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

#### **Risk management**

44. (1) **The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows:**
- (2) **Risk management must include –**
- (a) the identification of risks on a case-by-case basis;
  - (b) the allocation of risks to the party best suited to manage such risks;

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- (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

**Performance management**

45. The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

*Part 4: Other matters*

**Prohibition on awards to persons whose tax matters are not in order**

46. (1) No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.



**Prohibition on awards to persons in the service of the state**

47. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
- (a) who is in the service of the state;
  - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
  - (c) a person who is an advisor or consultant contracted with the **municipality**.

**Awards to close family members of persons in the service of the state**

48. The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
- (a) the name of that person;
  - (b) the capacity in which that person is in the service of the state; and
  - (c) the amount of the award.

**Ethical standards**

49. (1) A code of ethical standards as set out in the “*National Treasury’s code of conduct for supply chain management practitioners and other role players involved in supply chain management*” hereby established for officials and other role players in the supply chain management system of the municipality in order to promote –
- (a) mutual trust and respect; and
  - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

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**(2) An official or other role player involved in the implementation of this Policy –**

- (a) must treat all providers and potential providers equitably;
- (b) may not use his or her position for private gain or to improperly benefit another person;
- (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- (d) notwithstanding subparagraph (2) (c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- (e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the **municipality**;
- (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- (g) must be scrupulous in his or her use of property belonging to **municipality**;
- (h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
- (i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
  - (i) any alleged fraud, corruption, favouritism or unfair conduct;
  - (ii) any alleged contravention of paragraph 47(1) of this Policy; or
  - (iii) any alleged breach of this code of ethical standards.

**(3) Declarations in terms of subparagraphs (2)(d) and (e) -**

- (a) must be recorded in a register which the accounting officer must keep for this purpose;
- (b) by the accounting officer must be made to **the mayor of the municipality** who must ensure that such declarations are recorded in the register.

- (4) **The National Treasury's code of conduct must also be taken into account by supply chain management practitioners and other role players involved in supply chain management.**
- (5) **A breach of the code of ethics must be dealt with as follows -**
- (a) in the case of an employee, in terms of the disciplinary procedures of the **municipality** envisaged in section 67(1)(h) of the Municipal Systems Act;
  - (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
  - (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

**Inducements, rewards, gifts and favours to [municipalities / municipal entities], officials and other role players**

50. (1) **No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –**
- (a) any inducement or reward to the **municipality** for or in connection with the award of a contract; or
  - (b) any reward, gift, favour or hospitality to –
    - (i) any official; or
    - (ii) any other role player involved in the implementation of this Policy.
- (2) **The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.**
- (3) **Subparagraph (1) does not apply to gifts less than R350 in value.**

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**Sponsorships**

- 51.** The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- (a) a provider or prospective provider of goods or services; or
  - (b) a recipient or prospective recipient of goods disposed or to be disposed.

**Objections and complaints**

- 52.** Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

**Resolution of disputes, objections, complaints and queries**

- 53.** (1) **The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –**
- (a) to assist in the resolution of disputes between the **municipality** and other persons regarding -
    - (i) any decisions or actions taken in the implementation of the supply chain management system; or
    - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
  - (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) **The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.**
- (3) **The person appointed must –**

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- (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - (b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) **A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –**
- (a) the dispute, objection, complaint or query is not resolved within 60 days; or
  - (b) no response is forthcoming within 60 days.
- (5) **If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.**
- (6) **This paragraph must not be read as affecting a person's rights to approach a court at any time.**

**Contracts providing for compensation based on turnover**

**54.** If a service provider acts on behalf of a **municipality** to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the **municipality** must stipulate –

- (a) a cap on the compensation payable to the service provider; and
- (c) that such compensation must be performance based.

**Commencement**

**55.** This Policy takes effect from the date in which it is adopted by the Council.

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.....  
G. E NTEFANG.  
ACCOUNTING OFFICER

.....  
DATE

**EVALUATION METHODS**

**ANNEXURE A**

The following preferential points system shall be applied for all procurement equal to or above R30 000.00. However, these prescripts may be applied for procurement with a value less than R30 000.00, if and when appropriate.

The formulae to be utilised in calculating points scored for price are as follows:

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80/20 Preference point system [(for acquisition of services, works or goods up to a Rand value of R1million) (all applicable taxes included)]

$$P_s = 80 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

$P_s$  = Points scored for comparative price of bid or offer under consideration

$P_t$  = Comparative price of bid or offer under consideration

$P_{min}$  = Comparative price of lowest acceptable bid or offer.

Points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

| B-BBEE Status Level of Contributor | Number of points (80/20) |
|------------------------------------|--------------------------|
| 1                                  | 20                       |
| 2                                  | 18                       |
| 3                                  | 16                       |
| 4                                  | 12                       |
| 5                                  | 8                        |
| 6                                  | 6                        |
| 7                                  | 4                        |
| 8                                  | 2                        |
| Non-compliant contributor          | 0                        |

90/10 Preference point system [(for acquisition of services, works or goods with a Rand value above R1million) (all applicable taxes included)]

$$P_s = 90 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

$P_s$  = Points scored for comparative price of bid or offer under consideration

$P_t$  = Comparative price of bid or offer under consideration

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$P_{min}$  = Comparative price of lowest acceptable bid or offer.

Calculation of points for B-BBEE status level of contributor

Points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

| B-BBEE Status Level of Contributor | Number of points (90/10 system) |
|------------------------------------|---------------------------------|
| 1                                  | 10                              |
| 2                                  | 9                               |
| 3                                  | 8                               |
| 4                                  | 5                               |
| 5                                  | 4                               |
| 6                                  | 3                               |
| 7                                  | 2                               |
| 8                                  | 1                               |
| Non-compliant contributor          | 0                               |

Notwithstanding the preference points system to be followed in terms of this policy, the Municipality may, on recommendation of the **Municipal Manager**, acting in terms of Section 2 (1)f) of the Preferential Procurement Policy Framework Act 5 of 2000 read with Regulation 9 of the Regulations made in terms thereof, on grounds which are reasonable and justifiable in order to achieve and/or maximise the procurement priorities/objectives outlined in this policy document, award the BID to the bidder other than the bidder that scored highest points.







# APPENDIX I



# **GA-SEGONYANYA LOCAL MUNICIPALITY**



## **REVIEWED TRAVEL AND SUBSISTENCE POLICY**

## 1. Introduction

- 1.1 The current travel and subsistence procedures have been applied and followed for the past years and have become outdated as circumstances have changed and costs have increased with inflation.
- 1.2 Officials and councilors are required from time to time to travel away from the office in order to meet other role players, attend workshops and official functions. And often these councilors and officials are required to use their own transport and need to be reimbursed for the cost incurred.
- 1.3 An updated Travel and Subsistence Policy that take the above scenario into account has become necessary.

## 2. Purpose of the Policy

The purpose of this policy is to:

Ensure that all travel and subsistence costs incurred by the Municipality are done as efficiently and effectively as possible.

Ensure that councilors and officials are reimbursed fairly and consistently for the cost incurred while traveling to perform municipal duties.

## 3. Application

This policy applies to:-

- 3.1 all councilors of Ga-Segonyana Local Municipality; and
- 3.2 all officials Ga-Segonyana Local Municipality
- 3.3 relevant stakeholders of Ga-segonyana Local Municipality

Who are travelling on official business and as such are formal representatives of GaSegonyana municipality.

## 4. Legal Framework

In terms of Section 66 of the MFMA No.56 of 2003 the accounting officer of the municipality must, in format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, allowances and benefits, separately disclosing (inter alia) travel, subsistence and accommodation.

The following legislation will be applied.

- Department of Finance Tariff guidelines
- SALGA's Councillors Hand Book
- Department of Cooperative Governance and Traditional Affairs No R. 12225 – Remuneration of Public Office bearers (Act No. 20. of 1998)

## 5. Definitions and Abbreviations

- HOD – Head of Department

- **MM** – Municipal Manager
- **SARS** – South African Revenue Services
- **SALGA** – South African Local Government Association
- **BTO** – Budget and Treasury Office
- **Partner** – By partner the policy refers to somebody who is married in terms of civil or Traditional Marriage.

## **6. Subsistence and travel allowance**

### **6.1 Privately Owned Vehicle and Subsistence allowance**

- 6.1.1 A subsistence allowance does not cover any personal recreation such as alcoholic beverages, private telephone calls, visits to a cinema, theatre, nightclubs or sightseeing.
- 6.1.2 For privately owned vehicle claimant shall be paid at the rate per kilometre as determined by the National Department of Transport from time to time.
- 6.1.3 All officials of Ga-segonyana Municipality that qualifies for car allowance must use their private vehicles and claim for the kilometers travelled as per private tariffs for all official trips travelled outside Ga-segonyana boundaries. A log sheet should be kept for claiming kilometers travelled within the boundaries of the Ga-segonyana local Municipality.
- 6.1.3 Staff members and councilors residing outside Kuruman Town, will make prior arrangements with the relevant HOD or the Municipal Manager in order to utilize the municipal car on arrival from an official trip.
- 6.1.4 In a case where a private transport was used to transport an official to and from home, the kilos can be claimed, and in a case where a vehicle scheme transport was used, the kilos can be included in the log book. (Prior arrangements will be done with the relevant Head of Department or the Municipal Manager).
- 6.1.5 The total traveling distance shall be calculated from and to the Ga-Segonyana District Municipal offices in Kuruman, clause 6.3 and 6.4 will be considered in consultation with the Head of Department and the Municipal Manager.
- 6.1.6 Councillors will only claim for kilometers travelled, part time councilors will be allowed to claim from where they reside, whereas fulltime councilors will claim from the GA-SEGONYANA LOCAL premises, except during weekends and or public holidays.
- 6.1.7 In the event there is a need for officials and councilors to travel to the same meeting they should at least travel in a pair of two per vehicle.
- 6.1.8 Whenever two people travel in one car, an indemnity form designed for this purpose should be signed by all parties. The form should specify the names of the people, the fact that the employer will take the risks and the details of the meetings they will attend.
- 6.1.9 Should an accident happen while two people were travelling in one car, the case will be handled as an injury on duty, and all claims and procedures on the Compensation and Injuries and Diseases Act no 130 of 1993 will be followed.

## 6.2 Public Transport

- 6.2.1 For public transport proof of payment must be furnished.

## 6.3 Accommodation and Subsistence Allowance

- 6.3.1 Overnight accommodation shall only be allowed in cases where the traveling time from Ga-Segonyana Municipal Offices to the venue is more than two hours after the official starting time (07:30) of the Municipality.
- 6.3.2 Overnight accommodation shall also be allowed in cases where traveling from the venue to Ga-Segonyana Municipal Office is after 18:00, and 16:00 in cities where traffic congestion is a challenge.
- 6.3.3 The following two options are available in cases where an overnight accommodation is required:
- 6.3.4 The actual cost of accommodation will be borne by the Municipality, subject to a maximum of **R1 000.00 per night (and R1500.00 for Mayor, Speaker and MM and their protocol drivers)** (including tourism levy) for the accommodation itself in respect of domestic travel. Where such accommodation is available, the applicable rate will be paid in advance by the Municipality. For cities where accommodation is more expensive, an amount of **R1500.00 and (R1 800 for Mayor, Speaker and Municipal Manager and their protocol drivers)** will be paid.
- 6.3.5 **Subsistence allowance will be paid in terms of the prescribed SARS tariffs, as determined from time to time.**
- 6.3.6 If a Municipality representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim an overnight allowance of **R650** per day.
- 6.3.7 Where it is not necessary to overnight, no accommodation cost will be paid, and a subsistence allowance will be paid if a councilor or official was away for four hours and more on an official visit. The daily subsistence tariffs will be determined by SARS, from time to time.
- 6.3.8 Should a need arise for an official/Councillor in the municipality to visit a particular Department, a stakeholder, a municipality outside the Ga-Segonyana local municipality, or to perform duties outside as according to his weekly/monthly plan, a letter of motivation and or a weekly plan will be submitted to a supervisor. If a motivation letter or a weekly plan approved, the same documents will be used as proof for the purpose of claims and accommodation by the BTO.
- ## 6.4 Travel allowances for persons invited for interviews
- 6.4.1 No subsistence cost will be paid to a candidate invited for an interview, the tariffs of **Department of Transport will be used** if the candidate has to travel more than 50 km to attend the interview.



## **6.5 Incidental Expenses**

The following expenses incurred must be paid for by the claimant and reclaimed back from the Municipality:

6.6.1 Toll fees

6.6.2 Parking fees

## **6.6 Traveling to Foreign Countries**

6.6.1 The cost of accommodation for international travel may not exceed **US \$ 400 per day**.

6.6.2 If a councilor or official is travelling to a country where a currency is lessor or equal to the rand, the claim will be paid according to the rand, as per the 6.4.5 in the S&T policy.

6.6.3 If a councilor or official is travelling to a country with a currency that is more than the rand, the claim will be paid in terms of the US dollar.

6.6.4 If a councilor or official is travelling to a country with a currency that is more than the US dollar, the claim will be paid in terms of the currency of that country.

## **7. Capacity Building and Workshops arranged by Municipality**

7.1 All officials and Councilors traveling for capacity building or workshop purposes are entitled to accommodation and daily expenses in paragraph 6.4 and 6.7 respectively.

## **8. Traveling by flight**

When traveling alone, councilors and staff members will be allowed to use the services of a flight, subject to the availability of funds.

8.1 If more than one person is traveling, a private car or a municipal car will be used.

8.2 Only the economy class can be used for both the local and international flights.

8.3 Flight travel will only be limited to the official duties of the Councillor or official. Travel for studies is specifically excluded under official duties. Officials and Councilors are to use road transport for such.

8.4 For international flights, payment will be done subject to a council resolution.

8.5 Prior arrangements to obtain a rental car will be made.

## **9. Councilors Traveling Allowance**

The traveling allowance to Councilors shall be as follows:

9.1 A fixed allowance based on a percentage of the salary of the full-time Councilors concerned as determined in terms of the regulations, which percentage may not exceed 25%; or

9.2 An allowance in respect of kilometers traveled during the performance of official functions on behalf of the Municipality not exceeding the applicable tariffs prescribed by the Department of Transport of the use of privately owned vehicle.

- 9.3 In addition, the other allowances referred to in subparagraph (9.1 and 9.2) a further allowance regarding kilometers traveled in respect of the performance of official functions on behalf of the Municipality outside the jurisdiction of the District not exceeding the applicable tariffs prescribed by the Department of Transport for use private vehicles.
- 9.4 A Councilor must elect one of the options in subparagraph 9.1 or 9.2 at the beginning of each financial year of the Municipality: Provided that a Councilor, other than a full time Mayor of full-time Mayor where applicable, may not receive any allowance provided for in subparagraph 9.1 and 9.2 where the Municipal Council makes a vehicle available to that Councilor.
- 9.5 In addition to the allowance provided for in this paragraph, a Councilor may utilize a Council owned vehicle when performing a ceremonial function as determined by the Municipal Council.

## 10 Repayment of claims

The claimant shall be required to pay back the money under the following circumstances:

- 10.1 Should the meeting or trip be cancelled the Budget and Treasury Office must be informed immediately.
- 10.2 If the meeting is cancelled before the trip is undertaken and claims were already done the, claimed money must be paid back in full to the Budget and Treasury Office.
- 10.3 Should an official or a councilor insist on travelling even though s/he was aware of the cancellation, the money will be recovered from her/him by the BTO from his/ her salary in that month in full.
- 10.4 All suspicions of fraudulent claims and wasteful expenses related to this policy must be investigated and appropriate sanctions be carried out.

## 12. Claims for Traditional leaders.

- 12.1 Traditional leaders who are sitting in the Ga-segonyana Local Municipality Council will only claim for council meetings attended.

## 13 Claims Procedures

The following procedures are to be followed in all the travel and subsistence claims:

- 13.1 The official travel and subsistence claim form of the municipality to be completed by the claimant.
- 13.2 The necessary supporting documentation must be attached to the claim form.
- 13.3 The claim form must be **co signed** by the Speaker in the case of Councilors, and the Municipal Manager/the relevant HOD. The Municipal Manager/his/her delegate will sign official's claims. In the event of Exco members, the claims will be authorized by the Mayor or his delegated official. Such delegation should be in writing.
- 13.4 All travel and subsistence form to be finally approved by the Municipal Manager/, /Head of Department or **delegated officials**.

### **13.5 The Municipal Managers claim forms will be signed by the Mayor.**

13.6 The completed and approved claim forms must then be submitted to the Budget and Treasury Office for processing.

13.7 The travel and subsistence claim forms shall be processed as follows by the Budget and Treasury Office.

13.8 All claims for payment must reach the Budget and Treasury Office before **13:00** of the day preceding the claim payment day or else the payment shall be delayed to the next claim payment day. It should be noted that payment days are Tuesdays and Thursdays, therefore claims to be paid by Tuesdays must be handed in by Monday or Friday and claims to be paid by Thursday must be handed in by Tuesday and Wednesday.

13.9 All payment (as much as possible) shall be done electronically into individual account.

13.10 It is the **sole** duty of individual claimant to ensure that the **compliant** and **completed** claim form reaches the Budget and Treasury office timeously.

## **14 Delegated Powers**

The following powers are delegated in terms of this policy:

14.1 All the travel and subsistence claims forms to be finally approved by the Municipal Manager, Acting Municipal Manager, HOD or any other delegated official.

14.2 All the travel and subsistence claim forms of ordinary and Sec 79 Councilors to be approved by the Speaker.

14.3 All the travel and subsistence claim forms of Exco Councilors to be approved by the Mayor or his delegate.

14.4 All the travel and subsistence claim forms of officials to be approved by their respective HOD or delegated officials.

14.5 **In the absence of an HOD the delegated official will have signing powers. A manager from another Department may not sign for another Department.**

## **15 Status of the Policy**

15.1 This policy shall be effective **after approval by council.**

15.2 All applicable legislation, bargaining council agreement and Salga guidelines override this policy.

15.3 It is the responsibility of the Municipal Manager to bring the conflict between this policy and applicable legislation to the attention of the council and propose changes to eliminate such conflict.

## **16. Review of the Policy**

This policy will be reviewed as and when required at least once annually as per the Municipal Budget Reporting Regulations.







# APPENDIX J





# **GA-SEGONYANA LOCAL MUNICIPALITY**



## **FUNDING AND RESERVES POLICY**

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## **1. INTRODUCTION AND OBJECTIVE**

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

## **2. SECTION A: FUNDING POLICY**

### **2.1 LEGISLATIVE REQUIREMENTS**

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are therefore clear in that the budget must be cash – funded i.e. cash receipts inclusive of prior cash surpluses must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

### **2.2 STANDARD OF CARE**

Each functionary in the budgeting and accounting process must do so with judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise to the management of his or her own finances with the primary objective of ensuring that the objectives of this policy are achieved.

### **2.3 STATEMENT OF INTENT**

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance, provided that the requirements of the MFMA must at all times be adhered to.

## **2.4 CASH MANAGEMENT**

Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

## **2.5 DEBT MANAGEMENT**

Debt must be managed in terms of the municipality's Debt Management Policy, together with any requirements in this policy.

## **2.6 FUNDING THE OPERATING BUDGET**

### **2.6.1 INTRODUCTION**

The municipality's objective is that the user of municipal resources must pay for such usage in the period it occurs.

The municipality however, recognises the plight of the poor, and in line with national and provincial objectives, the municipality commits itself to subsidised services to the poor. This will necessitate cross subsidisation in tariffs to be calculated in the budget process.

### **2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET**

The following specific principles apply when compiling the budget:

- a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;
- c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;
- d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll-over purposes must be excluded

from the calculation as it must be included in changes in Cash and Cash Equivalents and Payables.

Furthermore, in the budget the total grants recognised as revenue must equal the total expected expenditure from grants, inclusive of capital expenditure and VAT as per directive given in MFMA circular 48.

- e) Projected revenue from services charges must be reflected as net (all billing less revenue foregone, which is free basic services, discounts and rebates).
- f) Projected revenue from property rates must include all rates to be levied, but rebates and discounts must be budgeted for as either revenue foregone or a grant, as per directive in MFMA Budget Circular 51, depending on the conditions of the exemption, rebate or reduction.

For the purpose of the Cash flow Budget all rebates and discounts must be deducted from the projected revenue.

- g) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortised discount must be included in the Operating Budget but excluded in the cash flow budget.
- h) Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality, and it is therefore determined that provision for the short term portion of employee benefits, as well as an operating surplus calculated at 5% of the prior year balance of the long-term benefits, be included in the operating budget, in order to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an "Employee Benefits Reserve".
- i) Depreciation must be fully budgeted for in the operating budget.

In order to ensure a sufficient accumulation of cash for the replacement of Property, Plant and Equipment and Intangible Assets, the amount of depreciation on assets funded from own sources, excluding assets funded from grants, public contributions and external loans must be reflected as a surplus on the cash flow budget.

- j) Contributions to provisions (non-current and current) do not form part of the cash flow. It is however, necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

It is therefore a requirement that the contribution to current provisions, as well as 20% of the prior year balance of the non current provision, is budgeted as cash surpluses until the necessary funding level is obtained.

## **2.7 FUNDING THE CAPITAL BUDGET**

### **2.7.1 INTRODUCTION**

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non – existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

### **2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE**

The capital budget can be funded by way of own contributions, grants and public contributions as well as external loans.

#### **Own Contributions**

The capital budget financed from own contributions must primarily be funded from the Capital Replacement Reserve.

Notwithstanding the above the capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions are determined during the budget process.

#### **Grants (Including Public Contributions)**

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that unusual grant funding does not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

It is therefore determined that the accounting officer must evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

It is furthermore determined that the depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer must put such accounting measures in place to comply with this requirement, to a reasonable extent.

#### **External Loans**

The municipality may only raise loans in accordance with its Debt Management Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans are utilised for operating purposes.

For budgeting purposes any difference between proposed capital spending from loans and proposed loans raised must be included in the cash surplus for the year.

## **2.8 FUNDING COMPLIANCE MEASUREMENT**

### **2.8.1 INTRODUCTION**

The municipality wants to ensure that the budget or adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as reconciliations according to this policy. Any additional indicators recommended by National Treasury in future must also be taken into account, as well as any additional reconciliation items as either determined by the Council or the Accounting Officer.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless any negative indicators can be reasonably explained and future budget projections address the turn-around of these indicators to within acceptable levels.

### **2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS**

A positive Cash and Cash Equivalents position throughout the year is crucial. In addition, the forecasted cash position at year-end must at least be the amount as calculated in the Reconciliation of Cash Requirements as determined by this policy and attached to this policy as Appendix "A".

### **2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS**

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants;
- unspent conditional public contributions;
- unspent borrowings;
- vat due to SARS;
- secured investments;
- the cash portion of statutory funds such as the Housing Development Fund;
- other working capital requirements; and
- in addition, it must be sufficient to back reserves as approved by the municipality and the portions of provisions as indicated elsewhere in this policy.



#### **2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ("CASH COVERAGE")**

This indicator shows the level of risk should the municipality experience financial stress.

#### **2.8.5 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS**

It is almost certain that the operating budget, which includes depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that the users of the assets funded from grants, public contributions and revaluations must be burdened with tariff increases to provide for such depreciation charges. In order to ensure a "balanced" budget but excluding such depreciation charges, the depreciation charges may be offset against the net surplus / deficit.

Should the budget result in a deficit after the offsetting, the budget will be deemed unfunded and must be revised.

#### **2.8.6 PROPERTY RATES/SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET**

The intention of this indicator is to ensure that tariff increases are in line with macro economic targets, but also to ensure that revenue increases for the expected growth in the geographic area is realistically calculated.

The formula to be used is as follows:

|   | DESCRIPTION                                  | PROPERTY RATES | SERVICE CHARGES | TOTAL       |
|---|--|----------------|-----------------|-------------|
| A | Revenue of budget year                       | R XX           | R XX            | R XX        |
| B | Less: Revenue of prior year                  | R XX           | R XX            | R XX        |
| C | <b>=Revenue increase/decrease</b>            | <b>R XX</b>    | <b>R XX</b>     | <b>R XX</b> |
| D | % Increase/(Decrease)                        | C/B %          | C/B %           | C/B %       |
| E | Less: Upper limit of macro Inflation target  | %              | %               | %           |
| F | <b>=Growth in excess of inflation target</b> | <b>%</b>       | <b>%</b>        | <b>%</b>    |
| G | Less: Expected growth %                      | %              | %               | %           |



|   |  |   |   |   |
|---|--|---|---|---|
| H | =Increase attributed to tariff<br>Increase above macro inflation<br>target | % | % | % |
|---|--|---|---|---|

In the event that the percentage in (h) above is greater than zero, a proper motivation must accompany the budget at submission, or the budget must be revised.

#### **2.8.7 CASH COLLECTION % RATE**

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

It is not permissible to project a collection rate higher than the rate currently being obtained, even if the municipality recently approved a debt collection policy or implemented additional debt collection measures. Any improvement in collection rates during the budget year may be appropriated in an Adjustment Budget.

#### **2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE**

This indicator provides information whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as past performance might have an influence on it. Any difference, however, must be motivated in the budget report.

#### **2.8.9 CAPITAL PAYMENTS AS A PERCENTAGE OF CAPITAL EXPENDITURE**

This indicator provides information as to the timing for payments on capital projects and utilising allowed payment terms.

#### **2.8.10 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)**

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Borrowing Policy.

#### **2.8.11 GRANTS REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE**

The percentage should never be less than 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

#### **2.8.12 CONSUMER DEBTORS CHANGE (CURRENT AND NON - CURRENT)**

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

An unacceptable high increase in either current- or non- current debtors' balances should be investigated and acted upon.

#### **2.8.13 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL**

It is of utmost importance that the municipality's Property Plant and Equipment be maintained properly, in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements.

Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

As a general benchmark the maintenance budget should be between 4% and 8% of the value of assets.

#### **2.8.14 ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL**

This indicator supports further the indicator for repairs and maintenance.

The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision.

#### **2.8.15 FINANCIAL PERFORMANCE BUDGET**

Although it is not a legal requirement that the financial performance budget should balance, it only makes management sense that it should balance.

A number of line-items influence the net result of the financial performance budget. It includes capital grant revenue, depreciation charges including those where assets were funded from grants and public contributions, unamortised discounts and gains/losses on the disposal of Property Plant and Equipment. These items need to be taken into consideration in order to establish if the operating budget is realistic and credible.

#### **2.8.16 FINANCIAL POSITION BUDGET**

This indicator provides an overall view of the projected financial position over the periods of the Medium Term Expenditure framework, including movements in inventory and payables.

#### **2.8.17 CASH FLOW BUDGET**

A positive cash flow is a good indicator of a balanced budget, as well as the ability of the municipality to meet its future commitments.

The cash flow budget, however, does not include those items such as contributions to the provisions described elsewhere in this policy, the effect of depreciation charges etc, and care must be taken not to let a projected positive cash inflow lead to additional expenditure requests, without taking the requirements of those items into consideration.

### **3. SECTION B: RESERVES POLICY**

#### **3.1 INTRODUCTION**

Fund accounting historically formed a huge part of municipal finance in the IMFO standards.

Since the municipality changed to General Recognised Accounting Practices (GRAP), fund accounting is no more allowed.

The municipality, however, recognises the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy aims to provide for such measure of protection by creating certain reserves.

#### **3.2 LEGAL REQUIREMENTS**

There are no specific legal requirements for the creation of reserves, except for the Housing Development Fund. The GRAP Standards itself also do not provide for reserves.

However, the GRAP "Framework for the Preparation and Presentation of Financial Statements" states in paragraph 91 that such reserves may be created, but "Fund Accounting" is not allowed and any such reserves must be a "legal" reserve, i.e. created by law or Council Resolution.

### **3.3 TYPES OF RESERVES**

Reserves can be classified into two main categories being "cash funded reserves" and "non – cash funded reserves".

#### **3.3.1 CASH FUNDED RESERVES**

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

**(a) Capital Replacement Reserve (CRR)**

The CRR is to be utilised for future capital expenditure from own funds and may not be used for maintenance– or other operating expenditure.

The CRR must be cash-backed and the Accounting Officer is hereby delegated to determine the contribution to the CRR during the compilation of the annual financial statements.

**(b) Employee benefits reserve**

The aim of the reserve is to ensure sufficient cash resources are available for the future payment of employee benefits.

The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

**(c) Non-current provisions reserve**

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of non – current provisions.

The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

**(d) Valuation reserve**

The aim of this reserve is to ensure sufficient cash resources are available to undertake a General Valuation as per the Municipal Property Rates Act.

The contribution to this reserve should be approximately 25% of the anticipated cost of the General Valuation and the Accounting Officer is hereby delegated to determine this amount annually during the compilation of the annual financial statements.

**(e) Other statutory reserves**

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

### **3.3.2 NON – CASH FUNDED RESERVES**

It might be necessary to create non – cash funded reserves for a variety of reasons, including GRAP requirements. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required.

The Accounting Officer is hereby delegated and may also in the discretion of the Accounting Officer, create reserves for future depreciation offsetting, in the absence of a standard similar to IAS 20.

## **3.4 ACCOUNTING FOR RESERVES**

### **3.4.1 REVALUATION RESERVE**

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

### **3.4.2 OTHER RESERVES**

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus.

It is a condition of GRAP and this policy that no transactions may be directly appropriated against these reserves.

## **4. SECTION C: REVIEW OF THE POLICY**

This Funding and Reserves Policy is the only policy of the municipality and replaces any past policies in this regard. Any revision of the policy must be approved by the Municipal Council.

Whenever the Minister of Finance or the National Treasury or the Auditor – General requests changes to the policy by way of legislation, changes to GRAP or otherwise, it must be reviewed and submitted for consideration by the Council on an annual basis. Such submission must be accompanied with a full description of the reasons for the change to the policy.

## **APPENDIX A**

### **RECONCILIATION OF CASH REQUIREMENTS**

|   |      |      |
|---|------|------|
| Cash flow from operating activities                               |      | R XX |
| Add : Depreciation from own funds                                 |      | R XX |
| Add : Contribution to current provisions                          |      | R XX |
| Add : 20% of prior year non – current provisions balance          |      | R XX |
| Add : 5% of prior year non – current employee benefits<br>balance |      | R XX |
| Add : Contribution to Valuation reserve                           |      | R XX |
| Add : Unspent conditional grants                                  |      | R XX |
| Add : Unspent public contributions                                |      | R XX |
| Add : Unspent borrowings  |      | R XX |
| Add : VAT due to SARS   |      | R XX |
| Add : Secured investments   |      | R XX |
| Add : Cash portion of Statutory Reserves                          | R XX |      |
| Add : Working Capital Requirements                                |      | R XX |
| = Minimum Cash Surplus Requirements for the year                  |      | R XX |







# APPENDIX K



# **GA-SEGONYANYA LOCAL MUNICIPALITY**



## **BORROWING POLICY**

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## **1. INTRODUCTION**

In terms of Chapter 6 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), (The "Act") the Municipality may incur long- and short-term Borrowing, subject to certain conditions.

The Municipality sometimes need additional bridging funding for over short-term periods and to finance long-term projects (capital projects).

This Borrowing Policy provides for the Municipality to obtain short- and long-term Borrowing and set out all conditions under which the Municipality will be entitled to obtain such Borrowing.

**All employees of the Municipality should adhere to this policy.**

## **2. POLICY FRAMEWORK**

This policy addresses all relevant principles and processes to be followed when obtaining short- and long-term Borrowing, to ensure sufficient management of Borrowing. The policy includes the following:

- Objectives of the policy
- Due diligence
- Delegations
- Management and Internal Control Procedures
- Borrowing Management
- Types of Borrowing
- Securities for Borrowing
- Approval procedures
- Cost of Borrowing
- Competitive selection of bids
- Types of Borrowing and financing sources
- Commission and discounts
- Forbidden activities
- Reporting and monitoring of requirements
- Review of the policy

## **3. OBJECTIVES**

The objectives of this policy are to ensure optimal performance with the lowest possible risk through managing the Borrowing, and to ensure accountability, responsibility and transparency throughout the process.

#### **4. DUE DELIGENCE**

Each official involved in the process of Borrowing must do so with such judgments and care, under prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in managing his or her own affairs and with his or her primary goal to protect the Municipality's cash resources, the Municipality's interests with its funders, and in general the Municipality's good name.

Speculation may not be undertaken in any of the processes.

#### **5. DELEGATIONS**

The management of all cash resources of the Municipality is the responsibility of the Municipal Manager. The Municipal manager will be responsible for:

- the proper implimentation of this policy;
- developing of a relevant system for delegation which will ensure administrative as well as operational effictiveness; and
- appropriate controles on balancing of the managment of cash resources

The Chief Financial Officer, as designated in writing by the Municipal Manager, should advise the Municipal Manager on the exercise of powers and duties with regard to this policy, and assist the Municipal Manager in the administration of the cash resources, bank accounts and Borrowing account.

The Municipal Manager may not delegate any powers or duties in the administration of the Municipality's cash resources to any political structure or councilor and no council member is allowed to interfere or attempt to interfere in the management of the Municipality's cash resources.

Any delegation by the Municipal Manager in terms of this policy:

- Must be in writing.
- Is subject to any restrictions and conditions as the Municipal Manager shall prescribe.
- May be either to a specific individual or to the holder of a specific position in the Municipality and may not be a committee of officials.
- Can not deprive the Municipal Manager of the responsibility concerning the exercise of delegated powers or the performance of the delegated duty.

The Municipal Manager may question any decision taken as a result of a delegation or sub-delegation in terms of this policy to confirm, amend or repeal, but no such amendment or repeal of an act may be done to break down any rights that would arise as a result of the decision.

For the implementation of this policy, any reference to "Municipal Manager" also means "any other person acting under a delegated power or function as exercising delegated by the Municipal Manager in terms of paragraph 5.

## **6. MANGEMENT AND INTERNAL CONTROL PROCEDURES**

The Municipal Manager, assisted by the Chief Financial Officer must take all reasonable steps to ensure:

- That the Municipality have a managerial-, accounting- and information system to maintain all Borrowing-, accounts-, receipting-, withdrawals- and Borrowing transactions.
- That, in the case of Borrowing, amounts due been calculated on a monthly basis
- That the Municipality have a system of internal controls over bank- and Borrowing accounts, receipting-, withdrawal- and Borrowing transactions.

The Internal Audit department should advise the municipal manager and evaluate and report on compliance with the above, at least an annual basis.

## **7. BORROWING**

### **7.1. Borrowing Management**

The Municipal Manager is responsible for the administration of all Borrowing procedures and must take all reasonable steps to ensure that Borrowings are managed in compliance with all audit requirements and any legal requirements included as prescribed in the Law on Local Government: Municipal Finance Management Act, 2003 and in particular Chapter 6 of the Act.

The Municipal Manager may delegate the duties, linked to investments, as per paragraph 5 of this policy.

### **7.2. Borrowing Ethics**

All officials involved in the Borrowing management process must act with fidelity, honesty, integrity and in the best interest of the Municipality and must strive, within the sphere of influence of the officials, to prevent any impairment of the Borrowing of the Municipality and other municipalities' good name and solvency problems.

No officials involved in the Borrowing management process should use his or her position or privileges as, or confidential information obtained officials in the process for personal gain or unfair advantage to another person.

The Municipal Manager must report as soon as practicable to the Mayor as well as the National Treasury any alleged violation of the above and may also make recommendations whether the alleged offending party must be listed on the National Treasury's database of persons prohibited from doing any business with the public sector. Any such report by the Municipal Manager must complete details of

the alleged violation and a written response from the alleged offending party, as proof that the alleged offending party did receive the allegations in writing and had at least 7 (seven) working days to respond to the allegations.

Any sponsor, offered or granted to the Municipality must be immediately reported to the National Treasury.

### **7.3. Types of Borrowing**

#### **7.3.1.Short-term Borrowing**

To ensure that the Municipality has sufficient cash to meet the objectives of local government, as contained in Article 152 of the Constitution of the Republic of South Africa (Act 108 of 1996), it is sometimes necessary to obtain short-term financing in order to finance cash shortages in a financial year to cover the bridging operation and / or temporary capital financing.

Short-term Borrowings may only be incurred if the Council is convinced that it will be refunded during the financial year and a report to the Council should indicate how and when it will be repaid, with specific reference to the conditions set in Article 45 of the Act on Local Government: Municipal Finance Management Act (Act No. 56 of 2003).

No Borrowing agreement for short-term Borrowings may be incurred for a period that expires after the end of the financial year in which they are incurred. The Municipal Manager must, as part of the budgeting, determine in time whether the Council will need short term Borrowing for the new financial year ahead and take such steps to ensure that the Council could consider a Borrowing agreement before the date on which the Council will require such financing.

By considering the cash flow of the Municipality it must be provide for emergency situations that additional cash may be needed and should be kept in mind to determine whether the Council should enter into short-term Borrowings.

Nothing prevents the Municipal Manager to, if it appears that during the financial year a cash shortage arises, obtain approval from the Council for the introduction of short-term Borrowings. However if it will not be repaid in the same financial year as a result of under-performance in terms of credit or over expenditure, the Council will not be able to approve such agreement.

The conditions set out in Chapter 6 of the Act on Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003) must at all times be complied with by the Municipal Manager.



### **7.3.2. Long-term Borrowing - Capital Asset**

The Council has an obligation to acquire assets and to maintain it in order to ensure service delivery, however it is not always possible for the Council to finance these assets from its own cash reserves. It is for this purpose that the Council may incur long-term Borrowing.

No capital projects may be entered into before the financing sources have been considered, approved and are available. For the purposes of this, "available" means a legally enforceable document in the Municipality's possession that guarantees the funding. Short-term bridging finance for capital expenditure may be incurred in anticipation of the disbursement of the long-term Borrowing, provided that the long-term financing is "available" and the conditions for engaging in short-term Borrowings, as per par.7.3.1. above, are met.

The cost of long-term assets which may be incurred include capitalized interest for a reasonable time, the cost of securities, finance costs, advertising, legal, advisory, trustee, credit ratings and other costs of finance, professional services, where it directly applicable to the project and other amounts that the Minister of Finance may approve.

The terms of repayment of any Borrowing must be calculated according to the expected useful life of the assets financed with the Borrowing.

No long-term Borrowing may be incurred if it is not compatible with the Municipality's capital budget, excluded for refinancing.

### **7.3.3. Long-term Borrowing – Refinancing**

The Municipality is, in terms of Section 46 (5) of the Act on Local Government: Municipal Finance Management Act, 2003, allowed refinancing of long-term Borrowing with the aim to save on the cost of Borrowing. The Municipal Manager must, for this purpose, at least annually and as part of the budget process evaluate and report to the Council about the cost of existing Borrowing, or if the refinancing is a benefit to the Municipality. As part of the evaluation, the Municipal Manager should consider if a once-off payment at the end of the loan period would not be more favorable to the Municipality if the repayments are invested in an investment fund with reasonable projected return on such investment.

Refinancing may only be for long-term Borrowing which has been incurred lawfully in the past and with the further condition that the loan period does not exceed the expected lifespan of the assets financed thereby.

#### **7.4. Security for Borrowing**

It is common practice that investors or financiers required security for granting loans. The Municipality will provide security for the inclusion of Borrowing, as set out in section 48 of the Act on Local Government: Municipal Finance Management Act, 2003, but the Council will consider each form of security, together with the Borrowing agreement.

#### **7.5. Procedures for Borrowing approval and securities**

The procedures for approval of Borrowing and Borrowing security as defined in Chapter 6 of the Act on Local Government: Municipal Finance Management Act, 2003. For completeness of this policy is shown below:

##### **7.5.1. Short-term Borrowing**

- "45 (2) A Municipality may incur short-term Borrowing only if –
- (a) a resolution of the municipal council, signed by the mayor, has approved the Borrowing agreement; and
  - (b) The accounting officer has signed the agreement or other document which creates or acknowledges the Borrowing."

##### **7.5.2. Long-term Borrowing**

- "46 (2) A Municipality may incur long-term Borrowing only if –
- (a) A resolution of the municipal council, signed by the mayor, has approved the Borrowing agreement; and
  - (b) The accounting officer has signed the agreement or other document which creates or acknowledges the Borrowing.
- (3) A Municipality may incur long-term Borrowing only if the accounting office of the Municipality –
- (a) has, in accordance with section 21A of the Municipal System Act-
    - (i) at least 21 days prior to the meeting of the council at which approval for the Borrowing is to be considered, made public an information statement setting out particulars of the proposed Borrowing, including the amount for the proposed Borrowing, the purposes for which the Borrowing is to be incurred and particulars of any security to be provided; and
    - (ii) invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed Borrowing; and
  - (b) Has submitted a copy of the information statement to the municipal council at least 21 days prior to the meeting of the council, together

with particulars of-

- (i) The essential repayment terms, including the anticipated Borrowing repayment schedule; and
- (ii) The anticipated total cost in connection with such Borrowing over the repayment period."

### **7.5.3. Security**

"48 (3) A council resolution authorising the provision of security in terms of subsection (2) (a) –

- (a) must determine whether the asset or right with respect to which the security is provided, is necessary for providing the minimum level of basic municipal services; and
- (b) if so, must indicate the manner in which the availability of the asset or right for the provision of that minimum level of basic municipal services will be protected.

(4) If the resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party, may, in the event of a default by the Municipality, deal with the asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.

(5) A determination in terms of subsection (3) that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the Municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be."

### **7.6. Cost of Borrowing**

The Municipality must guard that the cost of long-term Borrowing do not rise to such a level that it have a remarkable negative effect on taxes or other municipal charges such as maintenance. The maximum percentage of the operating budget for the repayment of Borrowing must be calculated in the Municipality's long-term budget with thorough consideration of the needs identified in the Integrated Development Plan, the cost of new or replacement of existing infrastructure and equipment and other administrative needs.

### **7.7. Competitive Bidding**

The Municipal Manager should adhere to the process as per Supply Chain policy when considering the biddings received. For purposes of marking in terms of costs, the expected interest Borrowing over the full term of the proposed Borrowing agreement calculated and used as the basis for the 80/20 and 90/10 allocations.

## **7.8. Types of Borrowing and Financing sources**

The types of Borrowing that may be incurred and the Borrowing financing of which may be incurred are as follows:

### **7.8.1. Types of Short-term Borrowing**

- Bank overdraft
- Short Term Loans
- Marketable Bonds
- Non-Marketable Bonds
- Other Securities

### **7.8.2. Types of Long-term Borrowing**

- Long-Term Loans
- Installment Credits
- Finance Leasing
- Marketable Bonds
- Non-Marketable Bonds
- Other Securities

### **7.8.3. Financing Sources**

- Public
- Banks
- Development Bank of South Africa
- Infrastructure Finance Corporation
- Public Investment Commissioners
- Insurance Companies
- Municipal Pension Funds
- Other Public Pension Funds
- Bond Trusts
- Internal Funds
- Other Sources

## **7.9. Commission or Cost**

No Commission is payable to an officer or board member, or spouse to, business partner or immediate relative of an officer or board member by an institution, investors or financiers, for any reference made by them.

Any commission, fee or other compensation paid to any person by an institution must certify to the Municipality by the institution through a certificate. Any quotation / tender to the Municipality given by an institution must be net of fees, commissions or rewards, but also need to include commission, rewards or costs, that will be paid in respect of the Borrowing.

#### **7.10. Performance**

The Municipal Manager must annually measure and report to the Council on the performance of its Borrowing in terms of the stipulated objectives of this policy.

#### **7.11. Forbidden activities**

- No Borrowing may be made otherwise than in the name of the Municipality.
- Money cannot be borrowed for the purpose of investments.
- No person, including officers and board members, may interfere or attempt to interfere in the management of fault attributed to the Municipal Manager or persons delegated by the Municipal Manager.
- No Borrowing may be made in any other currency than the Rand, and that is not linked, or is affected by any change in the value of the Rand against any foreign currency.
- No Borrowing shall be made for expenses not related to the functions and powers of the Municipality.

#### **7.12. Reporting**

The Municipal Manager must within 10 working days after the end of each quarter furnish the Mayor with a report setting out the detail of each Borrowing portfolio.

The above report must be in the format provided by National Treasury for reporting and monitoring of Borrowing..

### **8. Review of the Policy**

This Borrowing Policy is the only policy of the Municipality and replaces any past policies in this regard. Any revision of the policy must be approved by the Municipal Council.

All proposed changes to this policy should be tabled by the Mayor as part of the annual review of policies and budget documentation.

Whenever the Minister of Finance or the National Treasury or the Auditor – General requests changes to the policy by way of legislation, changes to GRAP or otherwise, it must be reviewed and submitted for consideration by the Council. Such submission must be accompanied with a full description of the reasons for the change to the policy.









# APPENDIX L



**GA-SEGONYANA  
LOCAL MUNICIPALITY**



**CASH MANAGEMENT AND  
INVESTMENT POLICY**

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## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **1. INTRODUCTION**

In terms of Section 13(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003)"(The Act)", the municipality must establish an appropriate and effective cash management and investment policy with the implementation date being 1 July 2004. The policy must comply with any prescribed framework, which framework was issued by the Minister of Finance by means of Regulation R 308 of 1 April 2005 as gazetted in the Government Gazette No 27431 of 1 April 2005.

The municipality shall at all times manage its banking arrangements and investments and conduct its cash management policy in compliance with the provisions of and any further prescriptions made by the Minister of Finance in terms of the Municipal Finance Management Act No. 56 of 2003.

### **2. SCOPE**

In order to ensure sound and sustainable management of the cash resources of the municipality this policy addresses all principles and processes involved in cash management and investments and includes:

- The objectives of the policy;
- Standard of care;
- Delegation of authority;
- Management and internal control procedures;
- Cash flow budgeting;
- Receipting and banking of cash;
- Payments;
- Short and long term debt and debt restructuring;
- Investment ethics, principles and practices;
- Reporting and monitoring requirements;
- Performance standards and measurement;
- Review of the policy.

### **3. OBJECTIVES**

The objectives of the policy are to ensure optimal performance with the least possible risk, in managing and investing the cash resources of the municipality and to ensure transparency, accountability and appropriate lines of responsibility in the process.

### **4. STANDARD OF CARE**

Each functionary in the cash management and investment process must do so with such judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of his or her own affairs and with his or her primary regard being to the probable safety of his or her own capital, in the second instance to his or her liquidity needs and lastly to the probable income derived.

Speculation may not be undertaken in any of the processes.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **5. DELEGATION OF AUTHORITY**

The management of all the cash resources of the municipality is the responsibility of the Municipal Manager who must, for the proper application of this policy, develop an appropriate system of delegation that will both maximise administrative and operational efficiency and provide adequate checks and balances in the management of the cash resources.

The Chief Financial Officer, as designated in writing by the Municipal Manager, must advise the Municipal Manager on the exercise of the powers and duties with regards to this policy and must assist the Municipal Manager in the administration of the cash resources, the bank accounts and the investment accounts. The Chief Financial Officer may not sub – delegate the duty to assist the Municipal Manager in the administration of the municipality's bank and investment accounts.

The delegation to withdraw money from the municipality's bank or investment accounts may only be given to the Chief Financial Officer or any other senior financial officer as determined, in writing, by the Municipal Manager and of which a copy, signed by the Municipal Manager, must be kept with the official set of delegations of the municipality.

The Municipal Manager may not delegate any power or duty in the administration of the municipality's cash resources to a political structure or councilor and no councilor is allowed to interfere or attempts to interfere in the management of the municipality's cash resources.

Any delegation by the Municipal Manager in terms of this policy:

- Must be in writing
- Is subject to any limitations and conditions as the Municipal Manager may impose
- May either be to a specific individual or to the holder of a specific post in the municipality and may not be to a committee of officials
- Does not divest the Municipal Manager of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.

The Municipal Manager may confirm, vary or revoke any decisions taken in consequence of a delegation or sub – delegation in terms of this policy, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

For the application of this policy any referral to "Municipal Manager" also means "Any other person acting under a delegated power or performs a function delegated by the Municipal Manager" in terms of paragraph 5.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **6. MANAGEMENT AND INTERNAL CONTROL PROCEDURES**

The Municipal Manager, assisted by the Chief Financial Officer, must take all reasonable steps to ensure:

- That the municipality has and maintains a management, accounting and information system that accounts for all bank and investment accounts, receipting, withdrawals, cash management and investment transactions
- That, in the case of investments, such investments are valued in accordance with standards of generally recognised accounting practices
- That, in the case of investments, revenue due is calculated on a monthly basis
- That the municipality has and maintains a system of internal control over its bank and investment accounts, receipting, withdrawals, cash management and investment transactions

The Internal Audit unit must advise the Municipal Manager and evaluate and report on compliance with the above, at least on an annual basis.

### **7. CASH MANAGEMENT**

#### **7.1. BANK ACCOUNT ADMINISTRATION**

The Municipal Manager is responsible for the administration of the municipality's bank accounts including the opening of the bank accounts, the designation of the primary bank account and all banking and withdrawal procedures. The bank account may only be managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Chapter 3 of the Act as well as section 64 of the Act.

The Municipal Manager may delegate the duties of the administration of the bank accounts as per paragraph 5 of this policy.

#### **7.2. RECEIPTING MANAGEMENT**

The Municipal Manager is responsible for the administration of all receipting procedures and must take all reasonable steps to ensure receipting is being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Section 64 of the Act.

The Municipal Manager may delegate the duties of receipting as per paragraph 5 of this policy.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **7.3. EXPENDITURE MANAGEMENT**

The Municipal Manager is responsible for the administration of all expenditure procedures and must take all reasonable steps to ensure expenditure is being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Section 65 of the Act.

The Municipal Manager may delegate the duties of expenditure as per paragraph 5 of this policy.

- 7.3.1.** Payment of salaries will be remitted by EFT to all councilors and officials of the municipality on the date determined and agreed with labour unions as per the collective agreements, this will include all back payments that usually comes through as a result of gazettes for the determination of councilors upper limits and remuneration of senior management. Payment will only be effected once the MEC for Local Government in the province has agreed to such a concurrence in writing.

### **7.4. WITHDRAWALS**

The Municipal Manager is responsible for the administration of all withdrawals procedures and must take all reasonable steps to ensure withdrawals are being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Section 11 of the Act.

The Municipal Manager may delegate the duties of withdrawals as per paragraph 5 of this policy.

Payments will be made twice weekly on Tuesdays and Thursdays or as may be determined from time to time by the Chief Financial Officer depending on availability of cash resources and practicality. Requests for payments must be submitted to the Budget and Treasury Office by 13:00 on the day before payment date. Requests received late will only be processed at the next payment date, i.e. If payments for Tuesday are received on Tuesdays, they will be deferred to Thursday and if payments meant for Thursday are received on Thursday, they will be deferred to the next Tuesday.

### **7.5. DEBT**

In order to ensure adequate cash – flow the municipality may incur short-term debt for operational or capital expenditure – or long term debt for only capital expenditure, provided that the Council approves all debt agreements, the Mayor must sign the resolutions approving the debt agreements and the Municipal Manager signed the debt agreements.



## **CASH MANAGEMENT AND INVESTMENT POLICY**

The municipality is, in terms of Section 46(5) of the Local Government: Municipal Finance Management Act, 2003, allowed refinancing its long – term debt for the purpose of saving on the cost of debt. The Municipal Manager must, for this purpose, at least annually and as part of the budget process evaluate and report to the Council on the cost of existing debt and whether re-financing such debt will be beneficial to the municipality. As part of the evaluation the Municipal Manager must determine the types of repayments and whether bullet payments at the end of the debt period and the reasonably determined nett cost thereof will not be more beneficial to the Council if the repayments are invested in sinking funds and the reasonable projected yield on the investments are being brought into account.

The Municipal Manager is responsible for the administration of all debt procedures and must take all reasonable steps to ensure debt is being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Chapter 6 of the Act.

The Municipal Manager may delegate the duties of debt management as per paragraph 5 of this policy.

### **7.6. CASH FLOW BUDGET**

In order to ensure that the municipality has sufficient cash available to comply with the municipality's commitments to its lenders, creditors, statutory payments and any other commitments, it is necessary to annually compile and submit to Council, as part of the budget documentation, a cash-flow projection for the budget year by revenue-source, broken down per month.

### **7.7. WORKING CAPITAL MANAGEMENT**

The Municipal Manager must take all reasonable steps to ensure that the municipality obtains maximum performance on its assets and for this purpose the working capital of the municipality must as far as possible be managed to the maximum benefit of the municipality.

An acceptable level for the Working Capital Reserve is 2:1 or better and the Municipal Manager must take all reasonable steps to ensure that the level is being maintained. In calculating the level, outstanding debtors for a period longer than 90 days as well as any unutilised conditional grants and allocations must be deducted from the current assets and liabilities and inventories must be brought into account at the lower of cost and nett realisable value. The exercise to provide for a sufficient level of working capital must be done as part of the budget process in order to budget accordingly.

In order to achieve the objectives of Working Capital Management inventory levels for own use must be kept as low as possible, creditors must be paid within 30 days of date of receipt of invoice or statement, whichever is the latest or applicable but as late as possible but with due regards to possible discounts on offer and all steps,

## **CASH MANAGEMENT AND INVESTMENT POLICY**

consistent with the Council's Credit Control and Debt Collection Policy, must be taken to recover moneys due to the municipality.

The Municipal Manager must, as part of the monthly reporting to the Mayor within 10 working days of the end of each month, report on:

- The combined nett balance of the bank and investment accounts of the municipality excluding any balances of unutilised conditional grants, trust moneys kept in accordance with trust deeds, Sinking Fund Investments made in accordance with any loan- or other agreements with investors/lenders, other conditional funds for which moneys were received in accordance with Section 12 of the Act, Debt Guarantee Reserve Funds and other cash-backed funds for which spending authority must be obtained from other persons or spheres of government.
- Whether the above nett balance is sufficient to make a payment of at least 2% of the operating budget of the municipality.
- Whether all commitments and accounts had and can be paid on time from the nett balance above and nett realisable accounts receivable.
- Whether there is a nett outflow of cash not in accordance with the cash-flow budget.
- Whether all of the above might cause a financial problem on which the Mayor must act in accordance with the provisions of the Act.

The Mayor must, within 30 days of the end of each quarter, report to the municipal council on the above, and, in the case of identifying a financial problem, promptly inform the council and act in accordance with the provisions of the Act.

The Municipal Manager may delegate the duties of working capital management as per paragraph 5 of this policy.

## **8. INVESTMENTS**

### **8.1. INVESTMENT MANAGEMENT**

The Municipal Manager is responsible for the administration of all investment procedures and must take all reasonable steps to ensure investments are being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Section 13 of the Act.

The Municipal Manager may delegate the duties of investments as per paragraph 5 of this policy.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

In order to ensure that the Municipal Manager or any person delegated in terms of paragraph 5 complies with this policy in terms of investments and to capacitate the municipality further, the Municipal Manager may contract an Investment Manager who is a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act (Act No. 55 of 1989) and Stock Exchanges Control Act (Act No. 1 of 1985). The Investment Manager must advise the Municipal Manager or delegated officials on investments and may manage investments on the municipality's behalf, subject to any conditions and controls the Municipal Manager may determine.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **8.2. INVESTMENT ETHICS**

All functionaries in the investment management process must act with fidelity, honesty, integrity and in the best interest of the municipality and must seek, within the spheres of influence of the functionaries, to prevent any prejudice to the investments of the municipality.

No functionaries in the investment management process may use their position or privileges of, or confidential information obtained as, functionary in the process for personal gain or to improperly benefit another person.

No person contracted by the municipality for the purpose of investments or no person submitting quotes, bids or any other means of competitive submissions may, either directly or through a representative or intermediary promise, offer or grant any reward, gift, sponsorships, loan, bursary, favour or hospitality to –

- Any official, spouse or close family member of such official or spouse;
- Any councilor, spouse or close family member of such councilor or spouse.

The Municipal Manager must promptly report to the Mayor and National Treasury's any alleged contravention of the above and may make recommendations as to whether the alleged offending party should be listed on the National Treasury database of persons prohibited from doing business with the public sector. Any such report by the Municipal Manager must give full details of the alleged breach and a written response from the alleged offending party, as well as proof that the alleged offending party received the allegations in writing and were given at least 7 (seven) working days to respond, in writing, to the allegations.

Any sponsorship promised, offered or granted to the municipality must promptly be disclosed to the National Treasury.

### **8.3. INVESTMENT OBJECTIVES**

#### **8.3.1. SECURITY**

The first and foremost objective for investments is the preservation and safety of the principal amount invested. It is a requirement of this municipality that investments may only be made with institutions with a credit – worthy rating of A 1 and better. Any investments made must be liquidated immediately if an institution's credit – worthy rating falls below the level of A 1.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **8.3.2. LIQUIDITY**

The cash – flow budget must be used as an instrument in determining liquidity needs. Other factors such as the payment runs for creditors, dates for salary and statutory payments and dates for debt repayments must also be brought into account to ensure cash requirements, and resultant investment periods, are being calculated to such an extent that maximum yield on surplus cash can be obtained.

### **8.3.3. YIELD**

It is necessary to ensure optimal yield on the municipality's investments, but a higher yield should never increase the risk of preservation and safety of the principal amount invested or not meeting cash – flow requirements. Where an institution has a sudden increase above the average market increase in investment returns, the Municipal Manager must determine whether the institution is in liquidity or financial problems, and in such an instance liquidate the investments with such an institution as soon as possible.

## **8.4. TYPES OF INVESTMENT ACCOUNTS**

The following cash – backed investment accounts should be established:

- General surplus cash
- Asset financing reserve fund
- Accumulated leave fund
- Trust funds where a trust- deed exist
- "Allocation " funds as described in Section 1 of the Local Government: Municipal Finance Management Act, 2003, but excludes the equitable share
- Sinking funds, if applicable
- Debt guarantee reserve fund, if applicable
- Post retirement benefits funds
- Self – insurance reserve
- Housing development funds

Where a Trust Deed prescribes how the trust money is to be invested, the prescriptions in the Trust Deed will prevail over this policy.

It is a general principle, the higher the investment the better the yield, and for this purpose the Municipal Manager should combine as much cash allocated to the above funds as possible, and invest it together. Yield should then be allocated according to the capital of the individual cash – backed funds, through the Statement of Financial Performance.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **8.5. APPROVED INVESTMENTS**

Investments should be structured according to the best yield available and the liquidity needs of the municipality. This can include Call Deposits, Fixed Term Deposits and Endowment Policies for the purpose of Sinking Funds only. Sinking funds must be created for the purpose of bullet – payment loans and to provide for future commitments such as building enough cash to be able to cover post – retirement benefits in full.

### **8.6. QUALIFIED INSTITUTIONS**

It is of utmost importance that the investments only be placed with credit – worthy institutions approved by with a credit – rating of A 1 and better.

The following investments are permitted:

- Securities issued by National Government
- Listed corporate bonds with an investment grade rating from a nationally or an internationally recognised credit rating agency
- Deposits with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)
- Deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act 45 of 1984)
- Deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984)
- Banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)
- Guaranteed endowment policies with the intention of establishing a sinking fund
- Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)
- Municipal Bonds issued by the municipality
- Any other as might be approved by the Minister of Finance

### **8.7. INVESTMENT DIVERSIFICATION**

Without limiting the Municipal Manager to any specific amount or percentage of investments, it is hereby established that investments made by the municipality should be diversified as much as possible between different institutions, maturity dates and types, but nothing prevents the Municipal Manager from investing more cash with an institution than by another institution with due regards to the standard of care and objectives set in this policy.

The Municipal Manager may delegate the duties of investment diversification as per paragraph 5 of this policy.



## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **8.8. COMPETITIVE SELECTION OF BIDS OR OFFERS**

In establishing where investments must be made, at least 2 (two) written quotations must be obtained by the Municipal Manager from any of the institutions listed in paragraph 8.6 above. The Municipal Manager may not divulge interest rates to other institutions during the quotation process. If Investments Managers use treasury desks for the purpose of obtaining quotations, the quotations, with a written reason why a specific institution was chosen if the yield is lower than that of another institution, must be forwarded to the Municipal Manager, who must evaluate the reasons and issue such instructions as deemed necessary.

The Municipal Manager may delegate the duties of competitive selection of bids or offers as per paragraph 5 of this policy.

### **8.9. COMMISSIONS OR COSTS**

No commission for investments made or referred is payable to an official or councilor, or spouse, business partner or close family member of an official or councilor by an institution or investment manager.

Any commissions, other rewards or costs paid to an investment manager by an institution must be declared to the municipality by the institution and Investment Manager by way of certificates. Any quotation given to the municipality by an institution or Investment Manager must be net of costs, rewards or commissions, but must also indicate the commissions, rewards or costs which will be paid in respect of the investments.

### **8.10. PERFORMANCE**

The Municipal Manager must annually measure and report to the Council on the performance of it's:

- Investments in terms of the stipulated objectives of this policy
- Investment Managers in terms of the stipulated objectives of this policy

The measurement must be done by way of taking into consideration the performance of surrounding municipalities on its investments.

### **8.11. FORBIDDEN ACTIVITIES**

- No investments may be made other than in the name of the municipality
- Money may not be borrowed for the purpose of investments
- No person, including officials and councilors, may interfere or attempts to interfere in the management of investments entrusted to the Municipal Manager or persons delegated by the Municipal Manager including with the Investment Managers.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

- No investments may be made other than be denominated in Rand and which is not indexed to, or affected by, any fluctuations in the value of the Rand against any foreign currency.

### **8.12. REPORTING**

The Municipal Manager must, in addition to the reporting in paragraph 7.7 above, within 10 working days of the end of each month submit to the Mayor a report describing in detail the investment portfolio of the municipality as at the end of the month.

The report referred to above must contain at least a statement, prepared in compliance with generally accepted municipal accounting principles, as amended from time to time, that gives the

- Beginning market value of each investment for the month
- Additions and changes to the investment portfolio for the month
- Ending market value of each investment for the month
- Fully accrued interest/yield for the month including interest/yield capitalised or paid out

The Municipal Manager, in making investments, must remind the relevant institutions of the institutions' legal reporting responsibilities in terms of Section 13 (3) and 13 (4) of the Local Government: Municipal Finance Management Act, 2003 and must get a certificate from the institutions that the institutions will comply with the Act. A single certificate per institution for any current and future investments may be obtained and must be kept on the municipality's investment file.

The Municipal Manager may delegate the duties of reporting as per paragraph 5 of this policy.

## **9. REVIEW OF THE POLICY**

This Cash Management and Investment Policy is the sole policy governing cash management and investments in the municipality. Any reviews to this policy must be approved by the Municipal Council.

The Mayor must submit any proposed changes to this policy to the Council as part of the annual review of policies submitted with the budget documentation.

Whenever the Minister of Finance or the National Treasury or the Auditor-General requires changes to the policy by means of legislation or requests it should be reviewed promptly in accordance with such requirements, giving full details of the reasons for the revision.



## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **ANNEXURE A: PARAPHRASE OF REQUIREMENTS OF MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003**

Note: In terms of Section 60(2) of the Municipal Systems Act No. 32 of 2000 the council may delegate the authority to take decisions on making investments on behalf of the municipality only to the executive mayor, executive committee or chief financial officer. The foregoing policy is based on the assumption that such authority has been delegated to the chief financial officer. The chief financial officer shall at all times manage the investments in compliance with the provisions of and any further prescriptions made by the Minister of Finance in terms of the Municipal Finance Management Act No 56 of 2003.

#### **SECTION 7: OPENING OF BANK ACCOUNTS**

Every municipality must open and maintain at least one bank account. This bank account must be in the name of the municipality, and all monies received by the municipality must be paid into this bank account or accounts, promptly and in accordance with any requirements that may be prescribed.

A municipality may not open a bank account:

- otherwise than in the name of the municipality;
- abroad; or
- with an institution not registered as a bank in terms of the Banks Act 1990.

Money may be withdrawn from the municipality's bank account only in accordance with the requirements of Section 11 of the present Act.

#### **SECTION 8: PRIMARY BANK ACCOUNT**

Every municipality must have a primary bank account, and if the municipality has only one bank account that account is its primary bank account. If the municipality has more than one bank account, it must designate one of those bank accounts as its primary bank account.

The following must be paid into the municipality's primary account:

- all allocations to the municipality;
- all income received by the municipality on its investments;
- all income received by the municipality in connection with its interest in any municipal entity;
- all money collected by a municipal entity or other external mechanism on behalf of the municipality, and;
- any other monies as may be prescribed.

The accounting officer of the municipality must submit to the national treasury, the provincial treasury and the Auditor-General, in writing, the name of the bank where the primary bank

## **CASH MANAGEMENT AND INVESTMENT POLICY**

account of the municipality is held, and the type and number of the account. If the municipality wants to change its primary bank account, it may do so only after the accounting officer has informed the national treasury and the Auditor-General, in writing, at least 30 days before making such change.

### **SECTION 9: BANK ACCOUNT DETAILS TO BE SUBMITTED TO PROVINCIAL TREASURIES AND AUDITOR-GENERAL**

The accounting officer of the municipality must submit to the provincial treasury and to the Auditor-General, in writing, within 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and annually, before the start of each financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account.

### **SECTION 10: CONTROL OF MUNICIPAL BANK ACCOUNTS**

The accounting officer of the municipality must administer all the municipality's bank accounts, is accountable to the municipal council for the municipality's bank accounts, and must enforce compliance with Sections 7, 8 and 11 of the present Act.

The accounting officer may delegate the duties referred to above only to the municipality's chief financial officer.

### **SECTION 11: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS**

Only the accounting officer or the chief financial officer of the municipality (presumably where this power has been appropriately delegated), or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts. Such withdrawals may be made only to:

- defray expenditure appropriated in terms of an approved budget;
- defray expenditure authorised in terms of Section 26(4) (this Section deals with situations in which the budget was not timeously approved, and the province has been compelled to intervene);
- defray unforeseeable and unavoidable expenditure authorised in terms of Section 29(1);
- in the case of a bank account opened in terms of Section 12, make payments from the account in accordance with Section 12(4);
- pay over to a person or organ of state money received by the municipality on behalf of such person or organ of state, including money collected by the municipality on behalf of such person or organ of state by agreement, or any insurance or other payments received by the municipality for such person or organ of state;
- refund money incorrectly paid into a bank account;
- refund guarantees, sureties and security deposits;
- make investments for cash management purposes in accordance with Section 13;
- defray increased expenditure in terms of Section 31; or

## **CASH MANAGEMENT AND INVESTMENT POLICY**

- for such other purposes as may be prescribed.

(Note that Section 11(1) does not expressly provide for the withdrawal of monies to pay creditors, where the relevant obligations arose in terms of the previous budget; to repay loans; or to repay consumer deposits).

Any authorisation to a senior financial official to withdraw money or to authorise the withdrawal of money from a bank account must be in accordance with the framework as may be prescribed. The accounting officer may not authorise any official other than the chief financial officer to withdraw money or to authorise the withdrawal of money from the municipality's primary bank account if the municipality has a primary bank account, which is separate from its other bank accounts.

The accounting officer must, within 30 days after the end of each quarter, table in the council a consolidated report of all withdrawals made other than withdrawals to defray expenditure appropriated in terms of the approved budget, and submit a copy of the report to the relevant provincial treasury and the Auditor-General.

### **SECTION 12: RELIEF, CHARITABLE, TRUST OR OTHER FUNDS**

No political structure or office bearer of the municipality may set up a relief, charitable, trust or other fund of whatever description, except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

A municipality may open a separate bank account in the name of the municipality for the purpose of such relief, charitable, trust or other fund. Money received by the municipality for the purpose of such fund must be paid into the bank account of the municipality, or if a separate bank account has been opened for such fund, into that account.

Money in a separate account opened for such fund may be withdrawn from the account without appropriation in terms of the approved budget, but only by or on the written authority of the accounting officer, acting in accordance with decisions of the council, and for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

### **SECTION 13: CASH MANAGEMENT AND INVESTMENTS**

The Minister, acting with the concurrence of the cabinet member responsible for local government, may prescribe a framework within which municipalities must conduct their cash management and investments, and invest money not immediately required.

A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be so prescribed.

A bank where the municipality at the end of the financial year holds a bank account, or held a bank account at any time during such financial year, must, within 30 days after the end of such financial year, notify the Auditor-General, in writing, of such bank account, indicating the type and number of the account, and the opening and closing balances of that account in

## **CASH MANAGEMENT AND INVESTMENT POLICY**

that financial year. The bank must also promptly disclose any information regarding the account when so requested by the national treasury or the Auditor-General.

A bank, insurance company or other financial institution which the end of the financial year holds, or at any time during the financial year held, an investment for the municipality, must, within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year. Such institution must also promptly disclose any information regarding the investment when so requested by the national treasury or the Auditor-General.

## **SECTION 17: CONTENTS OF ANNUAL BUDGETS AND SUPPORTING DOCUMENTS**

The following documents must accompany each tabled draft annual budget (inter alia):

- a projection of cash flows for the budget year by revenue source, divided into calendar months
- particulars of the municipality's investments.

## **SECTION 22: PUBLICATION OF ANNUAL BUDGETS**

The accounting officer must make public, immediately after a draft annual budget is tabled, the budget itself and all the prescribed supporting documents, and invite comments from the local community in connection with such budget (and documents).

## **SECTION 37: PROMOTION OF CO-OPERATIVE GOVERNMENT BY MUNICIPALITIES**

In order to enable municipalities to include allocations from other municipalities in their budgets and to plan effectively for the spending of such allocations, the accounting officer of every municipality responsible for the transfer of any allocation to another municipality, must, by no later than 120 days before the start of its budget year, notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next 3 financial years.

## **SECTION 45: SHORT-TERM DEBT**

The municipality may incur short-term debt only in accordance with and subject to the provisions of the present Act, and only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic income to be received within that financial year; or to bridge capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

The council may approve a short-term debt transaction individually, or may approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that the credit limit must be specified in the resolution of the council; the terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and if the council approves a credit

## **CASH MANAGEMENT AND INVESTMENT POLICY**

facility limited to emergency use, the accounting officer must notify the council in writing as soon as practicable of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as the options available for repaying such debt.

The municipality must pay off short-term debt within the financial year in which it was incurred, and may not renew or refinance short-term debt, whether its own debt or that of any municipal entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

### **SECTION 46: LONG-TERM DEBT**

A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of the present Act, and only for the purpose of capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in Section 152 of the Constitution; or refinancing existing long-term debt subject to the requirements of Section 46(5).

### **SECTION 47: CONDITIONS APPLYING TO BOTH SHORT-TERM AND LONG-TERM DEBT**

The municipality may incur debt only if the debt is denominated in rand and is not indexed to, or affected by, fluctuations in the value of the rand against any foreign currency.

### **SECTION 64: REVENUE MANAGEMENT (EXCERPTS)**

The accounting officer of the municipality is responsible for the management of the revenue of the municipality.

The accounting officer, must, among other things, take all reasonable steps to ensure that all money received is promptly deposited in accordance with the requirements of the present Act into the municipality's primary and other bank accounts.

The accounting officer must also ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled on at least a weekly basis.

The accounting officer must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least on a weekly basis, and that such funds are not used for purposes of the municipality.



## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **SECTION 65: EXPENDITURE MANAGEMENT (EXCERPTS)**

The accounting officer of the municipality is responsible for the management of the expenditure of the municipality.

The accounting officer must take all reasonable steps to ensure, among other things, that payments made by the municipality are made direct to the person to whom they are due, unless agreed otherwise for reasons as may be prescribed, and either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit.

The accounting officer must also ensure that all money owing by the municipality is paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

The accounting officer must further ensure that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

### **ANNEXURE B: CODE OF PRACTICE IN REGARD TO PAYMENTS, REVENUE COLLECTION AND STORES**

#### **1. Payments**

- 1.1 All payments shall be made through the municipality's bank account(s).
- 1.2 The chief financial officer shall draw all cheques on this account, and shall, in consultation with the municipal manager and with due regard to the council's policy on banking and investments, determine the rules and procedures relating to the signing of cheques, and from time to time jointly with the municipal manager decide on appropriate signatories.
- 1.3 All requests for payments of whatever nature shall be submitted on payment vouchers, the format of which shall be determined by the chief financial officer. Such vouchers shall be authorised in terms of such rules and procedures as are determined from time to time by the chief financial officer.
- 1.4 The maximum amount and nature of petty disbursements, where not covered by the general buying procedures referred to in Section 2, shall be generally determined from time to time by the chief financial officer. No cash float shall be operated without the authority of the chief financial officer, who may prescribe such procedures relevant to the management of such float as are considered necessary.
- 1.5 The chief financial officer shall be responsible for the payment of all salaries and remuneration benefits to employees and councillors, and for the determination of the payment system to be used.
- 1.6 Cash payments/wages of non-permanent employees shall be paid out by a security firm registered with the appropriate regulatory body/s and to whom services is acquired through the Supply Chain Management of the Municipality. A proper agreement shall be entered into to regulate the services provided.

#### **2. Revenue and Cash Collection**

- 2.1 Every head of department shall be responsible for the collection of all moneys falling within the ambit and area of his or her designated functions.
- 2.2 The chief financial officer shall ensure that all revenues are properly accounted for.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

- 2.3 The collection of all arrear revenues and the control of arrear accounts shall be co-ordinated by the chief financial officer in terms of any policies determined by the council. If it is clear that any revenues are not recovered or likely to be recovered after the necessary steps have been taken, the chief financial officer shall report the matter adequately and timeously to the accounting officer and council.
- 2.4 The chief financial officer shall ensure that adequate provision is maintained to cover the writing off of irrecoverable revenues, having due regard to the council's policy on rates and tariffs.

### **3. Banking of Receipts**

- 3.1 Guidelines and procedures for the banking of cheques and other receipts shall, if necessary, be determined from time to time by the chief financial officer.
- 3.2 Where applicable, every head of department shall ensure that all revenues are banked daily with the municipality's banker(s), or less frequently if so approved by the chief financial officer.
- 3.3 Banking of receipts shall be handled by a security firm registered with the appropriate regulatory body/s and from whom services is acquired through the Supply Chain Management. A proper agreement shall be entered into to regulate the services provided.

## **4 Cash Management**

### **4.1 Cash Collection**

All monies due to the municipality must be collected as soon as possible, either on or immediately after due date, and banked on a daily basis. The monies collected at Van Zylsrus must be banked at least once a month.

The respective responsibilities of the chief financial officer and other heads of departments in this regard is defined in a code of financial practice approved by the municipal manager and the chief financial officer, and this code of practice is attached as Annexure II to this policy.

The unremitting support of and commitment to the municipality's credit control policy, both by the council and the municipality's officials, is an integral part of proper cash collections, and by approving the present policy the council pledges itself to such support and commitment.

### **4.2 Payments to Creditors**

The chief financial officer shall ensure that all tenders and quotations invited by and contracts entered into by the municipality stipulate payment terms



## **CASH MANAGEMENT AND INVESTMENT POLICY**

favourable to the municipality, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by the municipality. This rule shall be departed from only where there are financial incentives for the municipality to effect earlier payment, and the chief financial officer shall approve any such departure before any payment is made. (Delegated by Accounting Officer to CFO.)

In the case of small, micro and medium enterprises, where such a policy may cause financial hardship to the contractor, payment may be effected at the conclusion of the month during which the service is rendered or within fourteen days of the date of such service being rendered, whichever is the later. The chief financial officer shall approve any such early payment before any payment is made. (Delegated by Accounting Officer to CFO.)

Notwithstanding the foregoing policy directives, the chief financial officer shall make full use of any extended terms of payment offered by suppliers and not settle any accounts earlier than such extended due date, except if the chief financial officer determines that there are financial incentives for the municipality to do so. (Delegated by Accounting Officer to CFO.)

The chief financial officer shall not ordinarily process payments, for accounts received, more than once in each calendar month, such processing to take place on or about the end of the month concerned. Wherever possible, payments shall be effected by means of electronic transfers rather than by cheques. (Delegated by Accounting Officer to CFO.)

Special payments to creditors shall only be made with the express approval of the chief financial officer, who shall be satisfied that there are compelling reasons for making such payments prior to the normal month end processing. (Delegated by Accounting Officer to CFO.)







# APPENDIX M





# **GA-SEGONYANA MUNICIPALITY**



## **FINAL UNCLAIMED DEPOSIT POLICY**

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**MR G.E NTEFANG  
MUNICIPAL MANAGER**

---

**CLLR. T. ANTHONY  
MAYOR**

| Authority           | Date |
|---------------------|------|
| HOD Approval        |      |
| MM Approval         |      |
| Council Approval    |      |
| Date of next Review |      |

#### Approval of Policy

Please note that the implementation of the policy contained in this document is

Subject to approval and signing off by all relevant Heads and/or Committees,

Including but not limited to:

- Municipal Manager; and
- Municipal Council.





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## 1. DEFINITION

"Council" means a municipal Council established in section 18 of the Municipal Structures Act and referred to in section 157(1) of the Constitution.

"Creditor" means a person to whom money is owed to by the municipality.

"Customer" means any person comprising:

resident of the municipality;

ratepayer of the municipality;

any civic organization involved in the municipality; and/or

any visitor or other people who make use of services or facilities provided by the municipality.

"Primary bank account" means a bank account referred to in section 8(1) of the Municipal Finance Management Act.

"Register" means the official register kept to receipt all unclaimed deposits.

"Municipality" means the Ga-segonyana Local Municipality established in terms of Section 155 of the Constitution.

## 2. INTRODUCTION

Unclaimed monies are a challenge faced by the municipality where monies are deposited into the municipal primary bank account or payable which cannot be identified nor are claimed by any creditor of the municipality. Monies are unclaimed for various reasons and commonly arise amongst other things from the following:

- (i) Monies deposited into the municipal primary bank account without any
- (ii) reference or documentary proof.
- (iii) Amounts/deposits payable to consumers or creditors which were either not claimed or banked.
- (iv) Creditors/consumers are unaware of their legal right to the monies.
- (v) Creditors/consumers direct deposits are untraceable
- (vi) Deposits paid for utilization of facilities not claimed by customer.

### 3. OBJECTIVE

The objectives of the policy are to:

- (i) To provide a framework on how to deal with unknown or unclaimed monies in the municipal bank account.
- (ii) To reduce the liability of the municipal bank account

### 4. LEGISLATIVE FRAMEWORK

Local Government Municipal Finance Act, Act 56 of 2003.

### 5. IDENTIFICATION OF UNCLAIMED DEPOSITS

- (I) An unclaimed direct deposit is any amount of money legally paid into the municipal primary bank account without any reference or documentary proof on how the monies should be allocated and that remains unclaimed for a period of six (6) months.
- (II) Unclaimed monies are any amount of money legally paid by customer as security for municipal services for the use of facilities which are not claimed within a period of six (6) months.

### 6. REGISTER OF UNCLAIMED MONEY

- (i) After all processes are exhausted to identify the unallocated monies and the period as mentioned in paragraph 5 has expired all unclaimed monies will be receipted in a register kept by the municipality.
- (ii) The register will be maintained and updated regularly and be kept for a period of six(6) months
- (iii) After the unclaimed monies are deposited in the register any person can claim the monies from date the monies were deposited or become unclaimed subject to that documentary proof is provided by the cashier to claim the monies.
- (iv) The value of unclaimed monies and/or direct deposits for a period before or within six (6) months will be recognized as a liability in the financial statements of the municipality.
- (v) The value of unclaimed monies and/or direct deposits for a period before or within six (6) months will be recognized as Other Income for the municipality in the financial statements of the municipality.

**7. UNCLAIMED MONEY TO BE PAID AS PUBLIC REVENUE**

Should unclaimed monies not be claimed within a period of six (6) months the monies will be written off from the register and be receipted as Other Income in that Financial year

The following process must be followed before any monies are receipted as revenue:

- (i) The register will be advertised in the media in terms of section 21A of the Systems Act, Act 32 of 2000 that it will lie open for public inspection.
- (ii) Such register must lie open for a period of four (4) months in the municipal website.
- (iii) The register to be advertised on two (2) local papers, two(2) times in the period of four (4) months in which the unclaimed deposit related to. \the register will be made available for inspection of the main municipal buildings.
- (iv) The prescribed form must be made available for inspection of the main municipal buildings.
- (v) The prescribed form must be completed with documentary proof should any monies be claimed by a customer or creditor.
- (vi) After the four (4) months period a report will be submitted to Council on the unclaimed monies to be written off from the register and be transfer to Other Income of the municipality.

**8. REVIEW**

This policy will be reviewed annually to ensure that it complies with changes in applicable legislation and the operating requirements of the municipality.

**9. TITLE OF THE POLICY**

This policy shall be called the Unclaimed Deposits Policy of the Ga-segonyana Local Municipality





# APPENDIX N







# **GA-SEGONYANAL LOCAL MUNICIPALITY**

## **DRAFT DISTRIBUTION LOSSES POLICY V.1**

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- 4. CONTROL AND MONITORING**
- 5. REPORTING**

# PART A: ELECTRICITY LOSSES

## 1. Scope

1.1. The scope of this policy is to identify and describe electrical losses that are experienced on a distribution system and to find ways to keep these losses to a minimum.

## 2. Objective

2.1. The objective of the municipality must be to minimize these losses that occur to a minimum, as these losses can have a huge financial impact as the municipality have to pay for electricity that cannot be billed to consumers

## 3. Types of Losses

The Municipality have two types of losses that can occur in the distribution of electricity.

### 3.1. Technical Losses

10% These losses occur due to heat dissipation when electricity flows through the system conductors which consists of either copper or aluminum. The municipality will work on an estimation of technical losses.

### 3.2. Non-Technical Losses

- 3.2.1. These losses occur due to theft (illegal connections, meter tampering) and incorrect metering.
- 3.2.2. These losses will be calculated by assessing the outflow and inflow of electricity units measured in KWH and KVA.

## 4. Control and Monitoring

4.1. The municipality must have the intention to keep the losses of electricity below a certain percentage of the total electricity purchased from Eskom.

4.2. To keep the technical losses to a minimum a computer program monitors the control of the distribution system to keep an even flow of electricity through the system.

4.3.To keep the non-technical losses to a minimum the metering of electricity must be monitored sufficiently. The billing system must be used to detect possible cases of illegal connections.

4.4.If theft is detected the electricity supply to the premises will be disconnected and a maintenance and repair fee will be charges. An attempt will also be made to determine the units stolen and to recover the cost from the consumer.

## **5. Reporting**

5.1.The total losses that a municipality may incur for electricity must be made public in the annual

financial statements of the municipality.

# PART B: WATER LOSSES

## 1. Scope

- 1.1. Ga-Segonyana local municipality generates its water from bore holes, to distribute to community.
- 1.2 During the distribution of water, the municipality may occur some distribution losses.

## 2. Objective

- 2.1. The objective of the municipality must be to minimize these losses that occur to a minimum, i.e. at least below 10%.

## 3. Types of Losses

- 3.1. The most common losses the Municipality have face are"
  - Unmetered water connections at residents (new developments).
  - Open spaces and sport fields that is unmetered.
  - Undetected underground water leaks.
  - Pipe bursts.
  - Unaccounted municipal own use of water.

### 3.2. Technical Losses

Water losses at the point of origin (boreholes) will be measured at 10% of the total water losses of the municipality.

### 3.3. Non-Technical Losses

These losses as described under types of losses will be calculated at KL generated at point of origin.

## 4. Control and Monitoring

- 4.1. The municipality must have the intention to keep the losses of water to below a certain percentage of the total water generation.

- 4.2. To keep the losses to a minimum the metering of water must be monitored sufficiently. The billing system must be used to detect possible cases of illegal connections.
- 4.3. If theft is detected the water supply to the premises will be disconnected and a fine will be given.

## **5. Reporting**

- 5.1. The total losses that a municipality may incur for water must be made public in the annual financial statements of the municipality.

## **6. REVIEW&IMPLEMENTATION PROCESS**

- 6.1. This policy will stay into effect from 1 July 2016;
- 6.2. This policy will be reviewed at least annually or when required by way of a Council resolution.

POLICY SECTION: MANAGER: INCOME

APPROVAL BY COUNCIL:







# APPENDIX O





# **GA-SEGONYANA LOCAL MUNICIPALITY**

## **INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT POLICY**

| VERSION CONTROL        |      |  |         |      |                           |
|------------------------|------|--|---------|------|---------------------------|
| POLICY OWNER:          |      | Ga-Segonyana Local Municipality Supply Chain Management Unit |         |      |                           |
| POLICY EFFECTIVE DATE: |      | 01 JULY 2017   |         |      |                           |
| Version                | Date | Revision   | Section | Page | Reason for change         |
| 1.                     |      | V2   | All     | All  | New Policy(Annual Review) |
| 2.                     |      |  |         |      |                           |

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## 1. Scope

- 1.1. This is the Ga-Segonyana Local Municipality's Policy in accordance to the Standard for Infrastructure Procurement and Delivery Management (SIPDM) with the provisions of the regulatory frameworks for delivery management, procurement and supply chain management.
- 1.2. The scope includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity but excludes:
- a) the storage of goods and equipment following their delivery to the Ga-Segonyana Local Municipality which are stored and issued to contractors or to employees;
  - b) the disposal or letting of land;
  - c) the conclusion of any form of land availability agreement;
  - d) the leasing or rental of moveable assets; and
  - e) public private partnerships.

## 2. Terms, Definitions and Abbreviations

- 2.1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act, no 56 of 2003, has the same meaning as in the Act, and –

|                               |  |
|-------------------------------|--|
| 2.1.1. "Authorised Person"    | the municipal manager or chief executive or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order  |
| 2.1.2. "Accounting Officer"   | in relation to a Municipality means the Municipal Manager as described in Section 60 of the Local Government: Municipal Finance Management Act, no 56 of 2003 as well as Section 82 of the Municipal Structures Act, no 117 of 1998.   |
| 2.1.3. "Conflict of Interest" | any situation in which: <ul style="list-style-type: none"><li>a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,</li><li>b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or</li><li>c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee</li></ul> |
| 2.1.4. "Contract Manager"     | person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view  |
| 2.1.5. "Family Member"        | a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption   |

|   |  |
|---|--|
| 2.1.6. <b>"Framework Agreement"</b>         | an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged                         |
| 2.1.7. <b>"Gate"</b>                        | a control point at the end of a process where a decision is required before proceeding to the next process or activity   |
| 2.1.8. <b>"Gateway Review"</b>              | an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based  |
| 2.1.9. <b>"Gratification"</b>               | an inducement to perform an improper act   |
| 2.1.10. <b>"Infrastructure Delivery"</b>    | the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure   |
| 2.1.11. <b>"Infrastructure Procurement"</b> | the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure   |
| 2.1.12. <b>"Maintenance"</b>                | the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function  |
| 2.1.13. <b>"Operation"</b>                  | combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use   |
| 2.1.14. <b>"Order"</b>                      | an instruction to provide goods, services or any combination thereof under a framework agreement   |
| 2.1.15. <b>"Organ of State"</b>             | an organ of state as defined in section 239 of the Constitution of the Republic of South Africa  |
| 2.1.16. <b>"Procurement Document"</b>       | documentation used to initiate or conclude (or both) a contract or the issuing of an order   |
| 2.1.17. <b>"Principal"</b>                  | a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984) |
| 2.1.18. <b>"Standard"</b>                   | the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury  |
| 2.1.19. <b>"Working Day"</b>                | any day of a week on which is not a Sunday, Saturday or public holiday   |



## **2.2. Abbreviations**

For the purposes of this document, the following abbreviations apply:

|              |   |
|--------------|---|
| 2.2.1. CIDB: | Construction Industry Development Board                         |
| 2.2.2. SARS: | South African Revenue Services                                  |
| 2.2.3. SCM   | Supply Chain Management   |
| 2.2.4. SIPDM | Standard for Infrastructure Procurement and Delivery Management |

## **3. General requirements**

### **3.1. Delegations**

3.1.1. The Ga-Segonyana Local Municipality Council hereby delegates all powers and duties to the Municipal Manager which are necessary to enable the Municipal Manager to:

- a) discharge the supply chain management responsibilities conferred on Accounting Officers in terms of Chapter 8 of the Local Government Municipal Finance Management Act of 2003 and this document;
- b) maximise administrative and operational efficiency in the implementation of this document;
- c) enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
- d) comply with his or her responsibilities in terms of Section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003 Act.

3.1.2. No departure shall be made from the provisions of this Policy without the approval of the Municipal Manager of the Ga-Segonyana Local Municipality.

3.1.3. The Municipal Manager shall for oversight purposes:

- a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy, to the Council of the Ga-Segonyana Local Municipality;
- b) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the Council;
- c) within 10 days of the end of each quarter, submit a report on the implementation of the Policy to the Mayor; and
- d) make the reports public in accordance with Section 21A of the Municipal Systems Act of 2000.

### **3.2. Implementation of the Standard for Infrastructure Procurement and Delivery Management**

3.2.1. Infrastructure procurement and delivery management shall be undertaken in accordance with the all applicable legislation and the relevant requirements of the latest edition of the National Treasury Standard for Infrastructure Procurement and Delivery Management, unless this Policy prescribes otherwise.

### **3.3. Supervision of the infrastructure delivery management unit**

3.3.1. The Infrastructure Delivery Management Unit shall be directly supervised by the Chief Financial Officer as delegated in terms of Section 82 of the MFMA.

### **3.4. Objections and complaints**

- 3.4.1. Persons aggrieved by decisions or actions taken in the implementation of this Policy, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

### **3.5. Resolution of disputes, objections, complaints and queries**

- 3.5.1. The Accounting Officer shall appoint an independent and impartial person, not directly involved in the infrastructure delivery management processes to assist in the resolution of disputes between the municipal entity and other persons regarding:
- a) any decisions or actions taken in the implementation of the supply chain management system;
  - b) any matter arising from a contract awarded within the Ga-Segonyana Local Municipality Municipality's infrastructure delivery management system; or
  - c) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- 3.5.2. The designated person shall assist the person appointed in terms of 3.5.1 to perform his or her functions effectively.
- 3.5.3. The person appointed in terms of 3.5.1 shall:
- a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - b) submit monthly reports to the Municipal Manager on all disputes, objections, complaints or queries received, attended to or resolved.
- 3.5.4. A dispute, objection, complaint or query may be referred to the Provincial Treasury if:
- a) the dispute, objection, complaint or query is not resolved within 60 days; or
  - b) no response is forthcoming within 60 days.
- 3.5.5. If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

## **4. Control framework for infrastructure delivery management**

### **4.1. Assignment of responsibilities for approving or accepting end of stage deliverables**

- 4.1.1. The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

### **4.2. General**

- 4.2.1. Prefeasibility and feasibility reports shall be required as end-of-stage deliverables for stages 3 and 4, respectively, where a major capital project is required for where the total project capital expenditure exceeds R50 million (including VAT), or where the expenditure per year for a minimum of three years exceeds R10 million per annum (including VAT).
- 4.2.2. Stages 3 and 4 may be omitted for the following:
- a) a building project with or without related site works; or
  - b) a process-based, somewhat repetitive or relatively standardised project where the risk of failing to achieve time, cost and quality objectives is relatively low.

- 4.2.3. Stages 3 to 9 may be omitted where the required work does not involve the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure.
- 4.2.4. Stages 5 and 6 may be omitted if sufficient information to proceed to stage 7 is contained in the stage 4 deliverable.
- 4.2.5. The infrastructure plan (stage 1), which is informed by demand management requirements as set out in 6.2, initiation reports (stage 0), decisions made during stages 3 and 4 and work in progress in stages 5 to 9, and the procurement strategy (stage 2) shall be reviewed and updated at least once a year.
- 4.2.6. The approval of the infrastructure plan and the securing of the necessary budget shall be obtained prior to advancing to stage 3. All subsequent stages shall only be proceeded with if the necessary budget is in place.
- 4.2.7. A stage shall only be complete when the deliverable has been approved or accepted by the person or persons designated in the institutional arrangements to do so.
- 4.2.8. Activities associated with stages 5 to 9 may be undertaken in parallel or series, provided that each stage is completed in sequence.
- 4.2.9. The level of detail contained in a deliverable associated with the end of each stage shall be sufficient to enable informed decisions to be made to proceed to the next stage. In the case of stages 3 to 6, such detail shall, in addition, be sufficient to form the basis of the scope of work for taking the package forward in terms of the selected contracting strategy.
- 4.2.10. The approvals or acceptances at each gate shall be retained for record purposes for a period of not less than five years of such acceptance or approval in a secured environment, unless otherwise determined in terms of the National Archives and Record Services of South Africa Act.

#### **4.3. Gateway reviews**

- 4.3.1. Gateway reviews for major capital projects above the threshold of R 50 million.
  - 4.3.1.1. The Municipal Manager shall appoint a gateway review team for major capital projects.
  - 4.3.1.2. A gateway review team shall comprise not less than three persons who are not involved in the project associated with the works covered by the end of the stage 4 deliverable, and who are familiar with various aspects of the subject matter of the deliverable at the end of the stage under review.
  - 4.3.1.3. Such a team shall be led by a person who has at least six years postgraduate experience in the planning of infrastructure projects and is registered either as a professional engineer in terms of the Engineering Profession Act, a professional quantity surveyor in terms of the Quantity Surveying Profession Act or a professional architect in terms of the Architectural Profession Act.
  - 4.3.1.4. The members of the team shall, as relevant, have expertise in key technical areas, cost estimating, scheduling and implementation of similar projects.
  - 4.3.1.5. The Provincial Treasury shall be notified of a proposed gateway review for a major capital project, three weeks prior to the conducting of such a review.
  - 4.3.1.6. Such notification shall be accompanied by a brief outline of the proposed project or package, the names and qualifications of the reviewers and the timeframes for the review.
  - 4.3.1.7. The Provincial Treasury may nominate additional persons to serve on the review team.
  - 4.3.1.8. The gateway review team shall base its findings primarily on:
    - 4.3.1.8.1. the information contained in the end-of-stage deliverables;
    - 4.3.1.8.2. supplementary documentation, if any, provided by key staff obtained during an interview process; and

4.3.1.8.3. interviews with key staff members and stakeholders.

4.3.2. The gateway review team shall issue a report at the conclusion of a gateway review, which indicates the team's assessment of the information at the end of a stage and provides findings or recommendations on areas where further work may be undertaken to improve such information.

4.3.3. The relevant Provincial Treasury may at any stage call for a gateway review

**Table 1: Stages, end-of-stage deliverables and responsibilities for approving or accepting end-of-stage deliverables in the control framework for the management of infrastructure delivery**

| No | Name of Stage            | End-of-Stage Deliverable  | Person assigned the responsibility for approving or accepting end-of-stage deliverables  |
|----|--------------------------|---|--|
| 0  | Project initiation       | An initiation report which outlines the high-level business case together with the estimated project cost and proposed schedule for a single project or a group of projects having a similar high-level scope                     | Technical Manager/ Project Management Unit manager recommend<br>The Head of Planning and Development accepts the initiation report |
| 1  | Infrastructure planning  | An infrastructure plan which identifies and prioritises projects and packages against a forecasted budget over a period of at least five years  | The Municipal Manager recommend and the Council approves   |
| 2  | Strategic resourcing     | A delivery and/or procurement strategy which, for a portfolio of projects, identifies the delivery strategy in respect of each project or package and, where needs are met through own procurement system, a procurement strategy | The Head of Planning and Development / Project Management Unit Manager / Technical Manager recommend and CFO approves              |
| 3  | Pre-feasibility          | A prefeasibility report which determines whether or not it is worthwhile to proceed to the feasibility stage  | The Head of Planning and Development / Project Management Unit Manager / Technical Manager recommend and CFO accepts               |
|    | Preparation and briefing | A strategic brief which defines project objectives, needs, acceptance criteria and client priorities and aspirations, and which sets out the basis for the development of the concept report for one or more packages             | The Head of Planning and Development / Project Management Unit Manager / Technical Manager recommend and CFO accepts               |
| 4  | Feasibility              | A feasibility report which presents sufficient information to determine whether or not the project should be implemented  | The Head of Planning and Development / Project Management Unit Manager / Technical Manager recommend and CFO accepts               |

| No | Name of Stage         | End-of-Stage Deliverable  | Person assigned the responsibility for approving or accepting end-of-stage deliverables   |
|----|-----------------------|---|---|
|    | Concept and viability | A concept report which establishes the detailed brief, scope, scale, form and control budget, and sets out the integrated concept for one or more packages  | The Head of Planning and Development / Project Management Unit Manager / Technical Manager recommend and CFO accepts                                |
| 5  | Design development    | A design development report which develops in detail the approved concept to finalise the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages  | The Head of Planning and Development / Project Management Unit Manager / Professional Service Provider recommend and Technical Manager / CFO accept |
| 6  | Design documentation  | 6A Production information<br>Production information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction | The Head of Planning and Development / Project Management Unit Manager / Professional Service Provider recommend and Technical Manager / CFO accept |
|    |                       | 6B Manufacture, fabrication and construction information<br>Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a package which enables manufacture, fabrication or construction to take place  | The Head of Planning and Development / Project Management Unit Manager / Professional Service Provider recommend and Technical Manager / CFO accept |
| 7  | Works                 | Completed works which are capable of being occupied or used   | Project Management Unit Manager / Professional Service Provider recommend and Technical Manager / CFO accept  |
| 8  | Handover              | Works which have been taken over by the user or owner complete with record information  | Project Management Unit Manager / Professional Service Provider recommend and Technical Manager / CFO / End User accept                             |
| 9  | Package completion    | Works with notified defects corrected, final account settled and the close out report issued  | Project Management Unit Manager / Professional Service Provider recommend and Technical Manager   |



| No | Name of Stage | End-of-Stage Deliverable | Person assigned the responsibility for approving or accepting end-of-stage deliverables |
|----|---------------|--------------------------|---|
|    |               |                          | / CFO accept  |

## 5. Control framework for infrastructure procurement

- 5.1. The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold of R200 000 shall be as stated in Table 2.
- 5.2. The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure, of R200 000, shall be as follows:
- The Procurement Documentation (Procurement Documentation Committee) or the Manager: SCM shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;
  - The Municipal Manager or delegated Head of Department may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.
- 5.3. The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

## 6. Infrastructure delivery management requirements

### 6.1. Institutional arrangements

#### 6.1.1. Committee system for procurement

##### 6.1.1.1. General

##### 6.1.1.1.1. A committee system comprising the

(Infrastructure procurement) Documentation Committee (The same officials in the Goods and Services Bid Specification Committee plus technical representation),

(Infrastructure procurement) Evaluation Committee (The same officials in the Goods and Services Bid Evaluation Committee plus technical representation) and

(Infrastructure procurement) Adjudication Committee (The same officials in the Goods and Services Bid Adjudication Committee)

shall be applied to all procurement procedures where the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements projected to cost in excess of R200 000.

- 6.1.1.1.2. The indicated committees for infrastructure procurement to consider all the relevant aspects of the SIPDM
- 6.1.1.1.3. The 7 day period for quotation advertisement shall be applicable to projects with the value of R30 000 up to R 200 000.
- 6.1.1.1.4. The Accounting Officer may consider applying the requirements of the committee system to a lower threshold.

- 6.1.1.1.5. The Evaluation Committee, shall, where competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.
- 6.1.1.1.6. The persons appoint in writing as technical advisors and subject matter experts may attend any committee meeting.
- 6.1.1.1.7. No person who is a political officer bearer, a public office bearer including any Councillor of a municipality, a political advisor or a person appointed in terms of Section 12A of the Public Service Act of 1994 or who has a conflict of interest shall be appointed to a Documentation Committee, Evaluation or Adjudication Committee.
- 6.1.1.1.8. Committee decisions shall as far as possible be based on the consensus principle i.e. the general agreement characterised by the lack of sustained opposition to substantial issues. Committees shall record their decisions in writing. Such decisions shall be kept in a secured environment for a period of not less than five years after the completion or cancellation of the contract unless otherwise determined in terms of the National Archives and Record Services Act of 1996.
- 6.1.1.1.9. Committees may make decisions at meetings or, subject to the committee chairperson's approval, on the basis of responses to documents circulated to committee members provided that not less than sixty percent of the members are present or respond to the request for responses. Where the committee chairperson is absent from the meeting, the members of the committee who are present shall elect a chairperson from one of them to preside at the meeting.

#### **6.1.1.2. Procurement Documentation Committee**

- 6.1.1.2.1. The Municipal Manager shall appoint in writing:
  - (a) the persons to review the procurement documents and to develop a procurement documentation review report in accordance to clause 4.2.2.1 of the standard; and
  - (b) the members of the procurement documentation committee
- 6.1.1.2.2. The approval of procurement documents at Procurement Gate 3 or Framework Agreement Gate 2 shall be based on the contents of a procurement documentation review report.
- 6.1.1.2.3. Where the procurement relates to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, such a report shall be prepared by one or more persons who participated in the review and who are registered as:
  - (a) professional architect or professional senior architectural technologist in terms of the Architectural Profession Act or a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
  - (b) a professional engineer or professional engineering technologist in terms of the Engineering Profession Act; or
  - (c) a professional quantity surveyor in terms of the Quantity Surveying Professions Act.
- 6.1.1.2.4. The Procurement Documentation Committee shall comprise out of at least the SCM manager / CFO, Technical Manager, Built Discipline registered person)
- 6.1.1.2.5. The chairperson shall be an employee of the Ga-Segonyana Local Municipality with requisite skills.
- 6.1.1.2.6. Other members shall, where relevant, include a representative of the end user or the department requiring infrastructure delivery.
- 6.1.1.2.7. No member of, or technical adviser or subject matter expert who participates in the work of the any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

**Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold**

| Activity |                                  | Sub-Activity<br>(see Table 3 of the standard) |  | Key action   | Person assigned responsibility to perform key action  |
|----------|----------------------------------|---|--|--|---|
| 1*       | Establish what is to be procured | 1.3 PG1                                       | Obtain permission to start with the procurement process  | Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.                         | The Head of Planning and Development / Project Management Unit Manager / Technical Manager recommend and CFO accepts  |
| 2*       | Decide on procurement strategy   | 2.5 PG2                                       | Obtain approval for procurement strategies that are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure | Confirm selection of strategies so that tender offers can be solicited   | The Head of Planning and Development / Project Management Unit Manager / Technical Manager recommend and CFO approves |
| 3        | Solicit tender offers            | 3.2 PG3                                       | Obtain approval for procurement documents  | Grant approval for the issuing of the procurement documents  | Procurement Documentation Committee   |
|          |                                  | 3.3 PG4                                       | Confirm that budgets are in place  | Confirm that finance is available for the procurement to take place  | Procurement Documentation Committee   |
| 4        | Evaluate tender offers           | 4.2 PG5                                       | Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure                                   | Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process                                     | Evaluation Committee  |
|          |                                  | 4.7 PG6                                       | Confirm recommendations contained in the tender evaluation report  | Review recommendations of the Bid Evaluation Committee and refer back to Bid Evaluation Committee for reconsideration or make recommendation for award | Adjudication Committee  |
| 5        | Award contract                   | 5.3   | Award contract   | Formally accept the tender offer in writing and  | Municipal Manger  |



| Activity |  | Sub-Activity<br>(see Table 3 of the standard) |  | Key action  | Person assigned responsibility to perform key action |
|----------|--|---|--|---|--|
|          |  | PG7   |  | issue the contractor with a signed copy of the contract   |  |
|          |  | 5.5 GF1                                       | Upload data in financial management and payment system   | Verify data and upload contractor's particulars and data associated with the contract or order                            | CFO / Supply Chain                                   |
|          |  | 6.4 PG8A                                      | Obtain approval to waive penalties or low performance damages.   | Approve waiver of penalties or low performance damages  | Municipal Manager                                    |
|          |  | 6.5 PG8B                                      | Obtain approval to notify and refer a dispute to an adjudicator  | Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law | Municipal Manager                                    |
| 6        | Administer contracts and confirm compliance requirements | 6.6 PG8C                                      | Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage       | Approve amount of time and cost overruns up to the threshold  | Municipal Manager                                    |
|          |  | 6.7 PG8D                                      | Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for at award of an inflation, or the time for completion contract or the issuing of an order by more than 20% and 30%, respectively. | Approve amount of time and cost overruns above the threshold  | Municipal Manager                                    |
|          |  | 6.8 PG8E                                      | Obtain approval to cancel or terminate a contract  | Approve amount  | Municipal Manager                                    |
|          |  | 6.9 PG8F                                      | Obtain approval to amend a contract  | Approve proposed amendment to contract  | Municipal Manager                                    |

**Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement**

|            |   | <b>Key action</b>  | <b>Person assigned responsibility to perform key action</b>   |
|------------|---|--|---|
| <b>FG1</b> | Confirm justifiable reasons for selecting a framework contractor where there is more than one framework agreement covering the same scope of work | Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited   | Recommended by the Technical Manager and confirmed by the CFO |
| <b>FG2</b> | Obtain approval for procurement documents   | Grant approval for the issuing of the procurement documents  | Documentation Committee chairperson approve                   |
| <b>FG3</b> | Confirm that budgets are in place   | Confirm that finance is available so that the order may be issued  | CFO   |
| <b>FG4</b> | Authorise the issuing of the order  | If applicable, review evaluation report and confirm or reject recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order | CFO   |

#### 6.1.1.3. Evaluation Committee

##### 6.1.1.3.1. The Municipal Manager shall appoint in writing:

- a) the persons to prepare the evaluation and, where applicable, the quality evaluations; and
- b) the members of the Evaluation Committee.

##### 6.1.1.3.2. The Evaluation Committee shall comprise not less than three people. The chairperson shall be a senior manager/ director of the Ga-Segonyana Local Municipality with requisite skills. Other members shall include a supply chain management practitioner and, where relevant, include an official from the department requiring infrastructure delivery.

##### 6.1.1.3.3. The evaluation report shall be prepared by one or more persons who are conversant with the nature and subject matter of the procurement documents or the framework contract, and who are registered as:

- c) a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act;

- d) a professional engineer or professional engineering technologist in terms of the Engineering Profession Act;
  - e) a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
  - f) a professional project manager or a professional construction manager in terms of the Project and Construction Management Professions Act; or a professional quantity surveyor in terms of the Quantity Surveying Profession Act.
- 6.1.1.3.4. The Evaluation Committee shall review the technical evaluation reports and due diligence and as a minimum verify the following in respect of the submitted tenderers:
- a) the capability and capacity of a tenderer to perform the contract;
  - b) the tenderer's tax and municipal rates and taxes compliance status;
  - c) confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;
  - d) the Compulsory Declaration has been completed; and
  - e) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.
- 6.1.1.3.5. No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the Procurement Documentation Committee or a family member or associate of such a member, may be considered by the Bid Evaluation Committee.
- 6.1.1.3.6. The chairperson of the Bid Evaluation Committee shall promptly notify the Municipal Manager of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.
- 6.1.1.4. Adjudication Committee /BID ADJUCATION**
- 6.1.1.4.1. The Adjudication Committee must consist of at least four senior managers of the municipality which must include –
- a) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and
  - b) at least one senior supply chain management practitioner who is an official of the municipality; and
  - c) a technical expert in the relevant field who is an official, if such an expert exists.
  - d) The Ga-Segonyana local municipality's Bid Adjudication Committee however will be comprised of the majority of senior managers/ directors due to the limitation of available positions in its structure.**
- 6.1.1.4.2. The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- 6.1.1.4.3. No member of the Evaluation Committee may serve on the Adjudication Committee. A member of an Evaluation Committee may, however, participate in the deliberations of a Adjudication Committee as a technical advisor or a subject matter expert.
- 6.1.1.4.4. The Adjudication Committee shall:
- a) consider the report and recommendations of the Bid Evaluation Committee and:
    - 1) verify that the procurement process which was followed complies with the provisions of this document;
    - 2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;

- 3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
- 4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- 5) refer the report back to the Bid Evaluation Committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation;
- 6) or alternatively make a recommendation to the Municipal Manager to award if the value exceeds R10 million.

6.1.1.4.5. The Adjudication Committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action, which should be taken.

6.1.1.4.6. The Adjudication Committee shall consider the merits of an unsolicited offer and make a recommendation to the Municipal Manager.

6.1.1.4.7. The Adjudication Committee shall report to the Municipal Manager any recommendation made to award a contract to a tenderer other than the tenderer recommended by the Bid Evaluation Committee, giving reasons for making such a recommendation.

6.1.1.4.8. The Adjudication Committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- a) made a misrepresentation or submitted false documents in competing for the contract or order; or
- b) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

6.1.1.4.9. The Adjudication Committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper Conduct in relation to such system. The National Treasury and the Provincial Treasury shall be informed where such tenderers are disregarded.

6.1.2. Actions of an authorised person relating to the award of a contract or an order

#### **6.1.2.1. Award of a contract**

6.1.2.1.1. The Municipal Manager shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the Adjudication Committee and either:

- a) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or
- b) decide not to proceed or to start afresh with the process.

6.1.2.1.2. The Municipal Manager shall immediately notify the Adjudication Committee if a tender other than the recommended tender is awarded, save where the recommendation is changed to rectify an irregularity. Such person shall, within 10 working days, notify in writing the Auditor-General, the National Treasury and the Provincial Treasury, and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

#### **6.1.2.2. Issuing of an order**

6.1.2.2.1. The Municipal Manager shall, if the value of an order issued in terms of a framework contract, is within his or her delegation, consider the recommendation of the Evaluation Committee as relevant, and either:

- a) authorise the issuing of an order; or
- b) decide not to proceed or to start afresh with the process.

6.1.2.2.2. The person responsible for authorising an order shall, prior to authorising the issuing of an order:

- a) confirm that the required goods or services, or any combination thereof, are within the scope of work associated with the relevant framework contract; and
- b) consider the recommendations of the evaluation report where competition amongst framework contracts takes place or a significant proportion of the total of the prices is negotiated, based on the financial parameter contained in the framework contract, and either

### **6.1.3. Conduct of those engaged in infrastructure delivery**

#### **6.1.3.1. General requirements**

6.1.3.1.1. All personnel and agents of the Ga-Segonyana Local Municipality shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

- a) behave equitably, honestly and transparently;
- b) discharge duties and obligations timeously and with integrity;
- c) comply with all applicable legislation and associated regulations;
- d) satisfy all relevant requirements established in procurement documents;
- e) avoid conflicts of interest; and
- f) not maliciously or recklessly injure or attempt to injure the reputation of another party.

6.1.3.1.2. All personnel and agents engaged in Ga-Segonyana Local Municipality Municipality's infrastructure delivery management system shall:

- a) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;
- b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;
- c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
- d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
- e) ensure that resources are administered responsibly;
- f) fair and impartial in the performance of their functions;
- g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
- h) not abuse the power vested in them;
- i) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
- j) assist the Ga-Segonyana Local Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;
- k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;
- l) not make false or misleading entries in reports or accounting systems; and keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.
- m) keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise

6.1.3.1.3. An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

#### **6.1.3.2. Conflicts of interest**



6.1.3.2.1. The employees and agents of the Ga-Segonyana Local Municipality who are connected in any way to procurement and delivery management activities which are subject to this Policy, shall:

- a) disclose in writing to the employee of the Ga-Segonyana Local Municipality to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and
- b) not participate in any activities that might lead to the disclosure of the Ga-Segonyana Local Municipality proprietary information.

6.1.3.2.2. The employees and agents of the Ga-Segonyana Local Municipality shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

6.1.3.2.3. Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in the Ga-Segonyana Local Municipality's interest to do so, submit a tender for work associated with such documents provided that:

- a) the Ga-Segonyana Local Municipality states in the tender data that such an agent is a potential tenderer;
- b) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and
- c) the Procurement Documentation Committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

#### **6.1.3.3. Evaluation of submissions received from respondents and tenderers**

6.1.3.3.1. The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

- a) not have any conflict between their duties as an employee or an agent and their private interest;
- b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
- c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and
- d) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to the Ga-Segonyana Local Municipality.

6.1.3.3.2. The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of the Ga-Segonyana Local Municipality and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

6.1.3.3.3. the Ga-Segonyana Local Municipality personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

#### **6.1.3.4. Non-disclosure agreements**

6.1.3.4.1. Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect the Ga-Segonyana Local Municipality's confidential information and interests.

#### **6.1.3.5. Gratifications, hospitality and gifts**

- 6.1.3.5.1. The employees and agents of the Ga-Segonyana Local Municipality shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.
- 6.1.3.5.2. The employees and agents of the Ga-Segonyana Local Municipality as well as their family members or associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:
- a) money, loans, equity, personal favours, benefits or services;
  - b) overseas trips; or
  - c) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.
- 6.1.3.5.3. The employees and agents of the Ga-Segonyana Local Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.
- 6.1.3.5.4. All employees and agents of the Ga-Segonyana Local Municipality may for the purpose of fostering inter-personal business relations accept the following:
- a) meals and entertainment, but excluding the cost of transport and accommodation;
  - b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc.
  - c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
  - d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature.
- 6.1.3.5.5. Gifts listed in a) to d) or gifts in kind which have an intrinsic value greater than R350 may not be accepted.
- 6.1.3.5.6. Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.
- 6.1.3.5.7. Employees and agents of the Ga-Segonyana Local Municipality shall without delay report to the Municipal Manager any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

#### **6.1.3.6. Reporting of breaches**

- 6.1.3.6.1. Employees and agents of the Ga-Segonyana Local Municipality shall promptly report to the Municipal Manager any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

#### **6.1.4. Measures to prevent abuse of the infrastructure delivery system**

- 6.1.4.1. The Municipal Manager shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this Policy against an employee or an agent, a contractor or other role player and, where justified:
- a) take steps against an employee or role player and inform the National Treasury and the Provincial Treasury of those steps;
  - b) report to the South African Police Service any conduct that may constitute a criminal offence;

- c) lodge complaints with the Construction Industry Development Board or any other relevant statutory Council where a breach of such Council's code of conduct or rules of conduct are considered to have been breached; cancel a contract if:
  - 1) it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or
  - 2) an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

#### **6.1.5. Awards to persons in the service of the state**

6.1.5.1. Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is one of the following shall be rejected:

- a) a member of any municipal Council, any provincial legislature, or the National Assembly or the National Council of Provinces;
- b) a member of the board of directors of any municipal entity;
- c) an official of any municipality or municipal entity;
- d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- e) an executive member of the accounting authority of any national or provincial public entity; or
- f) an employee of Parliament or a provincial legislature.

6.1.5.2. The notes to the annual financial statements of the Ga-Segonyana Local Municipality shall disclose particulars of an award of more than R 2000 to a person who is a family member of a person identified in 6.1.5.1 or who has been in the previous 12 months. Such notes shall include the name of the person, the capacity in which such person served and the amount of the award.

#### **6.1.6. Collusive tendering**

6.1.6.1. Any submissions made by a respondent or tenderer who fails to declare in the Compulsory Declaration that the tendering entity:

- a) is not associated, linked or involved with any other tendering entity submitting tender offers; or
- b) has not engaged in any prohibited restrictive horizontal practices including consultation, communication, agreement, or arrangement with any competing or potential tendering entity regarding prices, geographical areas in which goods and services will be rendered, approaches to determining prices or pricing parameters, intentions to submit a tender or not, the content of the submission (specification, timing, conditions of contract etc.) or intention to not win a tender shall be rejected.

#### **6.1.7. Placing of contractors under restrictions**

6.1.7.1. If any tenderer which has submitted a tender offer or a contractor which has concluded a contract has, as relevant:

- a) withdrawn such tender or quotation after the advertised closing date and time for the receipt of submissions;
- b) after having been notified of the acceptance of his tender, failed or refused to commence the contract;
- c) had their contract terminated for reasons within their control without reasonable cause;
- d) offered, promised or given a bribe in relation to the obtaining or the execution of such contract;



- e) acted in a fraudulent, collusive or anti-competitive or improper manner or in bad faith towards the Ga-Segonyana Local Municipality; or
- f) made any incorrect statement in any affidavit or declaration with regard to a preference claimed and is unable to prove to the satisfaction of the Ga-Segonyana Local Municipality that the statement was made in good faith or reasonable steps were taken to confirm the correctness of the statements,

6.1.7.2. The Manager SCM shall prepare a report on the matter and make a recommendation to the Municipal Manager for placing the contractor or any of its principals under restrictions from doing business with the Ga-Segonyana Local Municipality.

6.1.7.3. The Municipal Manager may, as appropriate, upon the receipt of a recommendation made in terms of 6.1.7.1 and after notifying the contractor of such intention in writing and giving written reasons for such action, suspend a contractor or any principal of that contractor from submitting a tender offer to [name of municipality or municipal entity for a period of time.

6.1.7.4. The Manager SCM shall:

- 6.1.7.4.1. record the names of those placed under restrictions in an internal register which shall be accessible to employees and agents of the Ga-Segonyana Local Municipality who are engaged in procurement processes; and
- 6.1.7.4.2. notify the National Treasury and the Provincial Treasury and, if relevant, the Construction Industry Development Board, of such decision and provide them with the details associated therewith.

## **6.1.8. Complaints**

6.1.8.1. All complaints regarding the Ga-Segonyana Local Municipality Municipality's infrastructure delivery management system shall be addressed to the Municipal Manager. Such complaints shall be in writing.

6.1.8.2. The Chief Financial Officer shall investigate all complaints regarding the infrastructure procurement and delivery management system and report on actions taken to the Municipal Manager who will decide on what action to take.

## **6.2. Acquisition management**

### **6.2.1. Unsolicited proposal**

6.2.1.1. The Ga-Segonyana Local Municipality is not obliged to consider unsolicited offers received outside a normal procurement process but may consider such an offer only if:

- a) the goods, services or any combination thereof that is offered is a demonstrably or proven unique innovative concept;
- b) proof of ownership of design, manufacturing, intellectual property, copyright or any other proprietary right of ownership or entitlement is vested in the person who made the offer;
- c) the offer presents a value proposition which demonstrates a clear, measurable and foreseeable benefit for the Ga-Segonyana Local Municipality;
- d) the offer is in writing and clearly sets out the proposed cost;
- e) the person who made the offer is the sole provider of the goods or service; and
- f) The Municipal Manager finds the reasons for not going through a normal tender processes to be sound.

6.2.1.2. The Municipal Manager may only accept an unsolicited offer and enter into a contract after considering the recommendations of the Adjudication Committee if:

- a) the intention to consider an unsolicited proposal has been made known in accordance with Section 21A of the Municipal Systems Act of 2000 together with the reasons why such a proposal should not be open to other competitors, an explanation of the potential benefits for the Ga-Segonyana Local Municipality and an invitation to the public or other potential suppliers and providers to submit their comments within 30 days after the notice;
- b) the Ga-Segonyana Local Municipality has obtained comments and recommendations on the offer from the National Treasury and the Provincial Treasury;
- c) the Adjudication Committee meeting which makes recommendations to accept an unsolicited proposal was open to the public and took into account any public comments that were received and any comments and recommendations received from the National Treasury and the Provincial Treasury; and
- d) the provisions of 6.2.1.3 are complied with.

6.2.1.3. The Municipal Manager shall, within 7 working days after the decision to award the unsolicited offer is taken, submit the reasons for rejecting or not following the recommendations to the National Treasury, the Provincial Treasury and Auditor-General. A contract shall in such circumstances not be entered into or signed within 30 days of such submission.

## **6.2.2. Tax and rates compliance**

### **6.2.2.1. SARS tax clearance**

6.2.2.1.1. No contract may be awarded or order issued unless a tenderer or contractor is registered on the Central Supplier Database (CSD) and in possession of an original valid Tax Clearance Certificate issued by SARS provided that the tenderer is not domiciled in the Republic of South Africa and the SARS has confirmed that such a tenderer is not required to prove their tax compliance status.

6.2.2.1.2. In the case of a partnership, each partner shall comply with the requirements of 6.2.2.1.1.

6.2.2.1.3. No payment shall be made to a contractor who does not satisfy the requirements of 6.2.2.1.2. An employee of the Ga-Segonyana Local Municipality shall upon detecting that a tenderer or contractor is not tax compliant, immediately notify such person of such status.

Notwithstanding the requirements of 6.2.2.1.1 and 6.2.2.1.3 the following shall apply, unless a person who is not tax compliant indicates to SC Manager / Official or Accountant.

6.2.2.1.4. that it intends challenging its tax compliance status with SARS,

- b) a non-compliant contractor shall be issued with a first warning that payments in future amounts due in terms of the contract may be withheld, before the authorising of any payment due to such contractor;
- c) before authorising a further payment due to a non-compliant contractor who has failed to
- d) remedy its tax compliance status after receiving a first warning, a second and final warning shall be issued to such contractor;
- e) no payments may be released for any amounts due in terms of the contract due to a non-compliant contractor if, after a period of 30 calendar days have lapsed since the second warning was issued, the non-compliant contractor has failed to remedy its tax compliance status.

### **6.2.2.2. Municipal rates and taxes**

6.2.2.2.1. No contract may be awarded to a tenderer who, of the principals of that tenderer, owes municipal rates and taxes or municipal service charges to any municipality or a municipal entity and are in arrears for more than 3 months.

6.2.2.2.2. No award may be considered to a tenderer who, of the principals of that tenderer, owes municipal rates and taxes or municipal service charges to any municipality or a municipal entity and are outstanding for more than 30 days, if the value of the award will exceed R 10 million.

### **6.2.3. Declarations of interest**

6.2.3.1. Tenderers and respondents making submissions in response to an invitation to submit a tender or a call for an expression of interest, respectively shall declare in the Compulsory Declaration whether or not any of the principals:

- a) are an employee of the Ga-Segonyana Local Municipality or in the employ of the state; or
- b) have a family member or a business relation with a person who is in the employ of the state.

### **6.2.4. Invitations to submit expressions of interest or tender offers**

6.2.4.1. All invitations to submit tenders where the estimated value of the contract exceeds R200 000 including VAT, except where a confined tender process is followed, and expressions of interest shall be advertised on the Ga-Segonyana Local Municipality Municipality's website and on the National Treasury eTender Publication Portal.

6.2.4.2. Advertisements relating to construction works, which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000, shall also be advertised, on the CIDB website.

6.2.4.3. Where deemed appropriate by the Chairperson of the Procurement Documentation Committee or the Manager: SCM, an invitation to tender and a call for an expression of interest shall be advertised in suitable local and national newspapers and the Government Tender Bulletin as directed by such person.

6.2.4.4. Such advertisements shall be advertised for a period of at least 14 days before closure, except in urgent cases when the advertisement period may be shortened as determined by the Municipal Manager.

6.2.4.5. The Manager SCM or delegated official shall place all Advertisements.

6.2.4.6. Invitations to submit expressions of interest or tender offers shall be issued not less than 10 working days before the closing date for tenders and at least 5 working days before any compulsory clarification meeting. Procurement documents shall be made available not less than 7 days before the closing time for submissions.

### **6.2.5. Publication of submissions received and the award of contracts**

6.2.5.1. The Manager: SCM or delegated official shall publish within 10 working days of the closure of any advertised call for an expression of interest or an invitation to tender, where the estimated value of the contract exceeds R200 000 (including VAT) on the municipality's website.

6.2.5.2. The following information must be published:

6.2.5.2.1. the names of all tenderers that made submissions to that advertisement, and

6.2.5.2.2. if practical or applicable, the total of the prices and the preferences claimed.

6.2.5.3. Such information shall remain on the website for at least 30 days.

6.2.5.4. The Manager SCM or delegated official shall publish within 7 working days of the award of a contract the following on the Ga-Segonyana Local Municipality Municipality's website:

- a) the contract number;
- b) contract title;

- c) brief description of the goods, services or works;
- d) the total of the prices, if practical;
- e) the names of successful tenderers and their B-BBEE status level of contribution;
- f) duration of the contract; and
- g) brand names, if applicable.

6.2.5.5. The Manager SCM or delegated official shall submit within 7 working days of the award of a contract the information required by National Treasury on the National Treasury e-Tender Publication Portal regarding the successful and unsuccessful tenders.

6.2.5.6. The Manager SCM or delegated official shall, within 7 working days of the award, submit details pertaining to the award of contracts relating to construction works, which are subject to the Construction Industry Development Regulations, issued in terms of the Construction Industry Development Act of 2000, in addition to the requirements of 6.2.5.3, place a notification on the CIDB website..

#### **6.2.6. Disposal committee**

6.2.6.1. The Municipal Manager shall appoint in writing, should a disposal need arise, the members of the disposal committee to decide on how best to undertake disposals.

6.2.6.2. The disposal panel shall comprise not less than three people.

6.2.6.3. The chairperson shall be an employee of the Ga-Segonyana Local Municipality

6.2.6.4. The disposal committee shall make recommendations to the Municipal Manager who shall approve the recommendations, refer the disposal strategy back to the disposal committee for their reconsideration, and decide not to proceed or to start afresh with the process.

6.2.6.4.1. A disposal committee shall decide how best to undertake disposals relating to the demolition or dismantling of infrastructure or parts thereof, and the disposal of unwanted, redundant or surplus materials, plant and equipment.

6.2.6.4.2. Disposals shall be proceeded with only after the feasibility and desirability of using one or more of the following alternative disposal strategies have been considered:

- a) transfer to another organ of state, business unit or a charitable organisation at market-related value or free of charge;
- b) recycling or re-use of component materials; or
- c) disposal by means of dumping at an authorised dump site, burning or demolition.

6.2.6.4.3. The reasons for adopting a disposal strategy shall be recorded prior to proceeding with such disposal.

#### **6.2.7. Reporting of infrastructure delivery management information**

6.2.7.1. The Manager: SCM or delegated official shall submit any reports required in terms of the standard to the National Treasury or the Provincial Treasury.

### **7. Infrastructure procurement**

#### **7.1. Usage of procurement procedures**

- a) The Ga-Segonyana Local Municipality shall apply any relevant procurement procedures provided for in the standard

#### **7.2. Procurement documents**

- 7.2.1. The standard forms of contract as stipulated in table 10 of the Standard of Infrastructure Procurement and Delivery Management may be used.
- 7.2.2. The Ga-Segonyana Local Municipality has pre-approved templates for (Agreements and contract data) of procurement, documents shall be utilised to obviate the need for legal review prior to the awarding of a contract.
- 7.2.3. All modifications to the standard templates shall be approved by Municipal Manager prior to being issued for tender purposes.
- 7.2.4. Disputes arising from the performance of a contract shall be finally settled in a South African court of law.
- 7.2.5. The Municipal Declaration and returnable documents contained in the standard shall be included in all tenders for:
  - a) consultancy services; and
  - b) goods and services or any combination thereof where the total of the prices is expected to exceed R10 m including VAT.

### **7.3. Developmental Procurement**

- 7.3.1. The primary beneficiaries will be included in the Preferential Procurement Policy and will include at least the following:
  - 7.3.1.1. Local emerging contractors / service providers and suppliers from previously disadvantaged individuals/communities who will be assisted with targeted contract opportunities to propel them to new heights.
  - 7.3.1.2. Contractors must be registered with the CIDB to qualify for participation.
  - 7.3.1.3. Specific goals as per the Ga-Segonyana Local Municipality municipality's internal guideline/ policy will be applicable.

### **7.4. Payment of contractors**

The Ga-Segonyana Local Municipality shall settle all undisputed accounts within 30 days of invoice or statement as provided for in the contract.

### **7.5. Approval to utilise specific procurement procedures**

- 7.5.1. Prior approval shall be obtained for the following procurement procedures from the following persons, unless such a procedure is already provided for in the approved procurement strategy:
  - a) The Municipal Manager shall authorise the use of the negotiated procedure above the thresholds provided in the standard.
  - b) The Municipal Manager shall authorise the approaching of a confined market except where a rapid response is required in the presence of, or the imminent risk of, an extreme or emergency situation arising from the conditions set out in the standard and which can be dealt with or the risks relating thereto arrested within 48 hours; and
  - c) the Procurement Documentation Committee or Manager: SCM shall authorise the proposal procedure using the two-envelope system, the proposal procedure using the two-stage system or the competitive negotiations procedure.
- 7.5.2. The person authorised to pursue a negotiated procedure in an emergency is Chief Financial Officer

### **7.6. Receipt and safeguarding of submissions**



- 7.6.1. A dedicated and clearly marked tender box shall be made available to receive all submissions made.
- 7.6.2. The tender box shall be fitted with two locks and the keys kept separately by two SCM Practitioners.
- 7.6.3. Such personnel shall be present when the box is opened on the stipulated closing date for submissions.

## **7.7. Opening of submissions**

- 7.7.1. Submissions shall be opened by an opening panel comprising two people nominated by the Manager: SCM who have declared their interest or confirmed that they have no interest in the submissions that are to be opened.
- 7.7.2. The opening panel shall open the tender box at the stipulated closing time and:
  - a) sort through the submissions and return those submissions to the box that are not yet due to be opened including those whose closing date has been extended;
  - b) return submissions unopened and suitably annotated where:
    - 1) submissions are received late, unless otherwise permitted in terms of the submission data;
    - 2) submissions were submitted by a method other than the stated method,
    - 3) submissions were withdrawn in accordance with the procedures contained in SANS 10845-3; and
    - 4) only one tender submission is received and it is decided not to open it and to call for fresh tender submissions.
  - c) record in the register submissions that were returned unopened;
  - d) open submissions if received in sealed envelopes and annotated with the required particulars and read out the name of and record in the register the name of the tenderer or respondent and, if relevant, the total of prices including VAT where this is possible;
  - e) record in the register the name of any submissions that is returned with the reasons for doing so;
  - f) record the names of the tenderer's representatives that attend the public opening;
  - g) sign the entries into the register; and
  - h) stamp each returnable document in each tender submission.
- 7.7.3. Each member of the opening panel shall initial the front cover of the submission and all pages that are stamped in accordance with the requirements of 7.7.3h).
- 7.7.4. Respondents and tenderers whose submissions are to be returned shall be afforded the opportunity to collect their submissions.
- 7.7.5. Submissions shall be safeguarded from the time of receipt until the conclusion of the procurement process.

## **7.8. Use of another organ of state's framework agreement**

- 7.8.1. The Ga-Segonyana Local Municipality may make use of another organ of state's framework contract which has been put in place by means of a competitive tender process and there are demonstrable benefits for doing so.
- 7.8.2. The Municipal Manager shall make the necessary application to that organ of state to do so.

## **7.9. Insurances**

- 7.9.1. Contractors shall be required to take out all insurances required in terms of the contract.
- 7.9.2. The insurance cover in engineering and construction contracts for loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract shall in general not be less than the value stated in Table 4, unless otherwise directed by the Municipal Manager.
- 7.9.3. Lateral earth support insurance in addition to such insurance shall be take out on a case by case basis.

**Table 4: Minimum insurance cover**

| Type of insurance   | Value  |
|---|--|
| Engineering and construction contracts - loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract | Not less than R20 million  |
| Professional services and service contracts - death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract or damage to property   | Not less than R10 million  |
| Professional indemnity insurance  | geotechnical, civil and structural engineering: R5million<br>electrical, mechanical and engineering: R3 million<br>architectural: R5 million<br>other R3 million |

- 7.9.4. The insurance cover in professional services and service contracts for damage to property or death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract shall not be less than the value stated in Table 4 for any one event unless otherwise directed by the CFO
- 7.9.5. SASRIA Special Risk Insurance in respect of riot and associated risk of damage to the works, Plant and Materials shall be taken out on all engineering and construction works.
- 7.9.6. Professional service appointments shall as a general rule be subject to proof of current professional indemnity insurance being submitted by the contractor in an amount not less than the value stated in Table 4 in respect of each claim, without limit to the number of claims, unless otherwise directed by the in relation to the nature of the service that they provide.
- 7.9.7. The Ga-Segonyana Local Municipality shall take out professional indemnity insurance cover where it is deemed necessary to have such insurance at a level higher than the levels of insurance commonly carried by contractors.
- 7.9.8. Where payment is to be made in multiple currencies, either the contractor or the Ga-Segonyana Local Municipality should be required to take out forward cover. Alternatively, the prices for the imported content should be fixed as soon as possible after the starting date for the contract.

#### **7.10. Written reasons for actions taken**

7.10.1. Written reasons for actions taken shall be provided by a Project Manager

7.10.2. The written reasons for actions taken shall be as brief as possible and shall as far as is possible, and where relevant, as to why a tenderer was not considered for the award of a contract or not awarded a contract shall be framed around the clauses in:

- a) SANS 10845-3, Construction procurement - Part 3: Standard conditions of tender, and, giving rise to the reason why a respondent was not short listed, prequalified or admitted to a data base; or
- b) SANS 10845-4, Construction procurement - Part 4: Standard conditions for the calling for expressions of interest;

7.10.3. Requests for written reasons for actions taken need to be brief and to the point and may not divulge information which is not in the public interest or any information which is considered to prejudice the legitimate commercial interests of others or might prejudice fair competition between tenderers.

#### **7.11. Request for access to information**

7.11.1. Should an application be received in terms of Promotion of Access to Information Act of 2000 (Act 2 of 2000), the "requestor" should be referred to the Ga-Segonyana Local Municipality Municipality's Information Manual which establishes the procedures to be followed and the criteria that have to be met for the "requester" to request access to records in the possession or under the control of the Ga-Segonyana Local Municipality Municipality's.

7.11.2. Access to technical and commercial information such as a comprehensive programme which links resources and prices to such programme should be refused as such information provides the order and timing of operations, provisions for time risk allowances and statements as to how the contractor plans to do the work which identifies principal equipment and other resources which he plans to use.

7.11.3. Access to a bill of quantities and rates should be provided in terms of the Act.

#### **8. SHORT TITLE**

8.1. This policy is called the INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT POLICY of the Ga-Segonyana Local Municipality Local Municipality.